

PART IV

Section 2-B

MYSORE ACTS AND ORDINANCES.

NOTIFICATION

(LAW DEPARTMENT.)

No. LAW 27 LGN.62, Bangalore, dated 8th September 1966.

Ordered that the Mysore Agricultural Produce Marketing (Regulation) Act, 1966, which received the assent of the President on the Nineteenth day of August 1966, be published as Mysore Act No. 27 of 1966 in the *Mysore Gazette* for general information.

MYSORE ACT No. 27 OF 1966.

*(First published in the "Mysore Gazette" on the
Fifteenth day of September 1966)*

THE MYSORE AGRICULTURAL PRODUCE
MARKETING (REGULATION) ACT, 1966

*(Received the assent of the President on the Nineteenth
day of August, 1966.)*

A Bill to provide for the better regulation of buying and selling of agricultural produce and the establishment and administration of markets for agricultural produce in the State of Mysore.

WHEREAS it is expedient to provide for the better regulation of buying and selling of agricultural produce and the establishment and administration of markets for agricultural produce and matters connected therewith in the State of Mysore ;

BE it enacted by the Mysore State Legislature in the Seventeenth Year of Republic of India as follows :—

CHAPTER I

PRELIMINARY

1. *Short title, extent and commencement.*—(1) This Act may be called the Mysore Agricultural Produce Marketing (Regulation) Act, 1966.

(2) It extends to the whole of the State of Mysore

(3) It shall come into force on such date as the State Government may, by notification, appoint.

2. *Definitions.*—In this Act, unless the context otherwise requires,—

(1) “agricultural produce” includes,—

(i) live-stock or poultry,

(ii) all produce whether processed or not, of agriculture, animal husbandry, apiculture, horticulture, pisciculture, forest produce, and

(iii) any other produce declared by the State Government by notification to be agricultural produce for the purposes of this Act;

(2) "agriculturist" means a person who cultivates land on one's own account,—

(i) by one's own labour, or

(ii) by the labour of any member of one's family, or

(iii) under the personal supervision of oneself or any member of one's family by hired labour or by servants on wages payable in cash or kind but not as crop share;

Explanation.—A tenant cultivating land of his landlord as specified in this clause shall also be an agriculturist for purposes of this Act.

(3) "Board" means the Mysore State Agricultural Marketing Board established under this Act;

(4) "broker" means an agent who in consideration of a commission, fee or reward, merely negotiates and brings about a contract for the purchase or sale of notified agricultural produce on behalf of his principal, but does not receive, deliver, transport, pay for the purchase of, or collect the payment for the sale of, the notified agricultural produce;

(5) "buyer" or "purchaser" means a person who buys or agrees to buy goods;

(6) "bye-laws" means bye-laws made under this Act;

(7) "Chief Marketing Officer" means the officer appointed by the State Government as such, and includes any other officer or officers empowered by the State Government by notification to exercise or perform such of the

powers or functions of the Chief Marketing Officer under the provisions of this Act or the rules as may be specified in such notification ;

(8) "commission agent" means a person who on behalf of his principal and in consideration of a commission or percentage upon the amount involved in each transaction keeps in his custody the goods of his principal and sells the same and holds himself liable to deliver it to the buyer and to make payment of its price to his principal ;

(9) "commodity" means any kind of agricultural produce meant for sale ;

(10) "credit society" means a co-operative society of agriculturists, one of the primary objects of which is to obtain credit for its members in the market area in which such society carries on its business ;

(11) "delivery" means voluntary transfer of possession from one person to another ;

(12) "Deputy Commissioner" includes any officer subordinate to the Deputy Commissioner not below the rank of a Tahsildar authorised by the State Government by notification to exercise the powers and perform the functions of the Deputy Commissioner under this Act in respect of any market area within the territorial jurisdiction of such officer ;

(13) "exporter" means a person other than a producer who exports goods or causes goods to be exported on one's own account or as agent of another person, from the market area outside such area for the purpose of selling, processing, manufacturing or for any other purpose except for the purpose of one's own domestic consumption, but shall not include a public carrier ; and the expression "importer" shall be constructed accordingly ;

(14) "goods" means any kind of notified agricultural produce ;

(15) "insolvent" means a person who ceases to pay his debts in the ordinary course of business or cannot pay his debts as they become due, whether he has committed an act of insolvency or not ;

(16) "institution" means a co-operative society, a Taluk Development Board or a local authority ;

(17) "local authority" for the purpose of representation on the market committee means,—

(i) in any municipal area, the municipal Corporation, the Municipal Council, the Cantonment Board, the Sanitary Board, the Town Board or the Notified Area Committee, as the case may be ;

(ii) in any village, the Village Panchayat or the Town Panchayat, as the case may be ;

(18) "market" means any notified area declared to be a market under sub-section (2) of section 6 ;

(19) "market area" means any area declared to be a market area under section 4 ;

(20) "market committee" or "committee" means a market committee constituted for a market area under this Act ;

(21) "market functionary" or "functionary" includes a broker, a commission agent, an exporter, a ginner, an importer, a presser, a processor, a stockist, a trader, and such other person as may be declared under the rules or the bye-laws to be a market functionary ;

(22) "market sub-yard" means a specified place declared to be a market sub-yard under sub-section (2) of section 6 ;

(23) "market yard" means a specified place declared to be a market yard under sub-section (2) of section 6 ;

(24) "market year" means the year commencing on the first day of July ;

(25) "member" means a member of a market committee ;

(26) "misconduct" in relation to a market functionary shall include any conduct of such functionary which is contrary to any of the provisions of this Act, the rules, the bye-laws or standing orders or is inconsistent with the objects and purposes of this Act ;

(27) "notification" means a notification published in the official Gazette ;

(28) "notified agricultural produce" means any agricultural produce which the State Government has by notification issued under sections 4 and 5 declared as agricultural produce the marketing of which shall be regulated in the market area ;

(29) "over-trading" in relation to trader means,—

(i) buying goods on credit to an extent that the aggregate amount payable to the commission agents in the market area at any time exceeds the limit up to which he is permitted to remain indebted to the commission agents according to the bye-laws with regard to the amount of security he has deposited with or the bank guarantee he has furnished to the market committee ;

(ii) trading in such a manner as not to be able to pay the amounts due or deliver the goods to the persons entitled to them in respect of the agricultural produce, on the due dates ;

(30) "person" includes a firm and a joint Hindu family ;

(31) "prescribed" means prescribed by rules made under this Act ;

(32) "process" means any one of a series of treatments to which raw agricultural produce is subjected to make it fit for ultimate consumption ;

(33) "processor" means a person who processes notified agricultural produce by mechanical means ;

(34) "producer" means a person who produces notified agricultural produce on one's own account—

- (i) by one's own labour, or
- (ii) by the labour of any member of one's family, or
- (iii) under the personal supervision of oneself or any member of one's family by hired labour or by servants on wages payable in cash or kind but not in share of the produce ;

Explanation.—For the purposes of this clause, a producers' society shall be deemed to be a producer ;

(35) "producers' society" means a co-operative society one of the primary objects of which is to produce a notified agricultural produce ;

(36) "Registrar of Co-operative Societies" includes any officer subordinate to the Registrar of Co-operative Societies in Mysore authorised by him ;

(37) "retail sale" means the sale of notified agricultural produce to a consumer for domestic consumption not exceeding such quantity as the market committee may by bye-laws or standing orders determine ;

(38) "rules" means rules made under this Act ;

(39) "Secretary" means the Secretary of a market committee and includes the Assistant Secretary and any other officer or servant of a market committee or of the State Government authorised to exercise the powers and discharge the functions of the Secretary ;

(40) "seller" means a person who sells or agrees to sell goods ;

(41) "solvent" means a person who is not an insolvent ;

(42) "standing order" means a standing order made under section 151 ;

(43) "stockist" means a person other than a licensed commission agent who stocks the goods belonging to other persons, and includes a warehouseman ;

(44) "sub-committee" means a sub-committee of a market committee ;

(45) "sub-market" means a specified area declared to be a sub-market under sub-section (2) of section 6 ;

(46) "sub-market yard" means a specified place declared to be a sub-market yard under sub-section (2) of section 6 ;

(47) "Taluk Marketing Society" means a co-operative society one of the primary objects of which is to sell the notified agricultural produce of its members and the area of operation of which is at least one taluk but not a whole district or more than a district :

Provided that if there is no marketing society in any taluk having a whole taluk within its area of operation, then a marketing society having a part of a taluk as its area of operation shall be deemed to be the taluk marketing society of that taluk ;

(48) "trader" means a person who buys notified agricultural produce either for himself or as an agent of one or more persons for the purpose of selling, processing, manufacturing or for any other purpose, except for the purpose of domestic consumption ;

(49) "vehicle" includes a boat or other vessel or a conveyance of any kind ;

(50) "warehouse" means any building, structure or other protected enclosure which is or may be used for the purpose of storing agricultural produce being goods on behalf of the depositors but does not include cloak rooms attached to hotels, railway stations, the premises of other public carriers and the like ;

(51) "weighment" includes counting or measurement ;

(52) "yard" includes the market yard, the market sub-yard and the sub-market yard.

CHAPTER II

ESTABLISHMENT OF MARKETS

3. *Notification of intention of regulating the marketing of specified agricultural produce in specified area.—*

(1) The State Government may, by notification, declare its intention of regulating the marketing of such agricultural produce, in such area, as may be specified in the notification. The notification may also be published in Kannada in a newspaper circulating in such area.

(2) The notification shall state that any objections or suggestions which may be received by the State Government within such period as shall be specified in the notification, not being less than thirty days, will be considered by the State Government.

4. *Declaration of market area and of regulation of marketing of specified agricultural produce therein.—* After the expiry of the period specified in the notification issued under section 3, and after considering such objections and suggestions as may be received before such expiry, the State Government may, by another notification,

declare the area specified in the notification issued under section 3 or any portion thereof to be a market area and that the marketing of all or any of the kinds of agricultural produce specified in the notification issued under section 3 shall be regulated under this Act in such market area. A notification under this section may also be published in Kannada in a newspaper circulating in such area.

5. *Alteration of market area and of items of regulated agricultural produce.*—Subject to the procedure specified in sections 3 and 4, the State Government may, at any time by notification, exclude from any market area any area or include therein an additional area, or may declare that the regulation of the marketing of any agricultural produce in any market area shall cease, or that the marketing of any agricultural produce (hitherto not regulated) shall be regulated in such market area.

6. *Markets, market yards, market sub-yards, sub-markets and sub-market yards.*—(1) (a) For every market area,—

- (i) there shall be a market, and
- (ii) there may be one or more sub-markets ;

(b) For every market,—

- (i) there shall be a market yard, and
- (ii) there may be one or more market sub-yards ;

(c) For every sub-market there shall be a sub-market yard.

(2) (a) The Chief Marketing Officer shall, as soon as possible after the issue of a notification under section 4, by a notification, declare any specified area in the market area to be a market. He may also by the same notification or by any subsequent notification declare any other specified area in the market area to be a sub-market.

(b) The Chief Marketing Officer shall by a notification under clause (a) also declare a specified place (including any structure, enclosure, open place or locality) in the

market to be a market yard for the regulated marketing of the notified agricultural produce specified in the notification. He may also by the same notification or by any subsequent notification or notifications declare any other specified area or areas, as the case may be, (including any structure, enclosure, open place or locality), in the market to be a market sub-yard or sub-yards for the regulated marketing of the notified agricultural produce specified in the notification.

(c) Where by a notification under clause (a) any specified area is declared to be a sub-market, the Chief Marketing Officer shall by the same notification declare a specified place (including any structure, enclosure, open place or locality) in the sub-market to be a sub-market yard for the regulated marketing of the notified agricultural produce specified in the notification :

Provided that the limits of the market or the sub-market, as the case may be, shall not include any area beyond the limits of the area of the city, town or village within which the market yard or the sub-market yard, as the case may be, is situated.

(3) Subject to the procedure prescribed in sections 3 and 4, the Chief Marketing Officer may at any time by a notification exclude any area from any market or sub-market or any place from any market yard, market sub-yard or sub-market yard, or include therein, subject to the proviso to sub-section (2), an additional area or place, as the case may be, or may direct that the regulated marketing of any notified agricultural produce in any market yard, or market sub-yard, or sub-market yard shall cease or that any notified agricultural produce shall be included in the regulation of marketing in any such yard or sub-yard.

7. *Establishment of markets.*—As soon as may be after the issue of the notification under sub-section (2) of section 6 and the making of the first bye-laws under section 149, the Chief Marketing Officer shall, after satisfying himself that the market committee has made arrangements for.

regulating the marketing of notified agricultural produce in the market area by a notification, declare a date not less than thirty days from the date of issue of the notification as the date on which the market and the sub-markets, if any, shall be established. For all purposes of this Act, the market and the sub-markets, if any, shall be deemed to have been established for the market area with effect from the date so notified.

8. *Control of marketing of agricultural produce.*—
(1) After the date specified in the declaration made under section 7,—

(a) no local authority shall, notwithstanding anything contained in any law for the time being in force establish, authorise or continue or allow to be established, authorised or continued any place in the market area for the marketing of any notified agricultural produce :

Provided that a local authority may establish or continue any place for retail sale of any notified agricultural produce subject to the condition that no market functionary shall operate in such place except in accordance with the provisions of this Act, and the rules and the bye laws and standing orders of the market committee ;

(b) no person shall, without, or otherwise than in conformity with the terms and conditions of, a licence granted by the market committee in this behalf,—

(i) use any place in the market area for the marketing of the notified agricultural produce, or

(ii) operate in the market area or in any market therein as a trader, commission agent, broker, processor, weighman, warehouseman, or in any other capacity in relation to the marketing of the notified agricultural produce :

Provided that nothing contained in clause (b) shall apply,—

(i) to the sale of such agricultural produce if the producer of such produce is himself its seller, or

(ii) to the purchase of such produce if the purchaser is a person—

(a) who purchases such produce for his domestic consumption ; or

(b) who purchases such produce in the market or sub-markets outside the market yard or sub-yard or the sub-market yard, as the case may be, from a trader for retail sale.

(2) No place in the market or the sub-market, except the market yard, sub-yard or the sub-market yard, as the case may be, shall be used for the purchase or sale of notified agricultural produce belonging to a producer :

Provided that nothing in this sub-section shall be applicable to the purchase or sale of such agricultural produce by way of retail sale if the producer of such produce is himself its seller and the purchaser is a person who purchases such produce for his domestic consumption.

CHAPTER III

CONSTITUTION OF MARKET COMMITTEES.

9. *Establishment of Market Committee and its incorporation.*—(1) Save as provided in Chapter IX, for every market area, there shall be a market committee having jurisdiction over the entire market area.

(2) Every market committee established under this Act shall be a body corporate by such name as the State Government may by notification specify. It shall have

perpetual succession and a common seal and may sue and be used in its corporate name and shall, subject to such restrictions as are imposed by or under this Act, be competent to contract and to acquire, hold, lease, sell or otherwise transfer any property and to do all other things necessary for the purpose for which it is established :

Provided that no immoveable property shall be acquired or transferred without the permission of the Chief Marketing Officer.

(3) For the purposes of the Land Acquisition Act, 1894, every market committee shall be deemed to be a local authority.

10. *Constitution of the first market committee.*—

(1) Notwithstanding anything contained in section 11, a market committee constituted for the first time for any market area, shall consist of the following members nominated by notification by the State Government :—

(i) seven agriculturists residing in the market area, not disqualified under sub-clause (a) of clause (1) or clause (2) of section 16 ;

(ii) two traders residing in the market area not disqualified under clause (2) of section 16 ;

(iii) one commission agent not being a trader, residing in the market area not disqualified under clause (2) of section 16 ;

(iv) one shall be a member of the committee of management of the Taluk Marketing Society within the area of operation of which the market yard is situated, who is not disqualified under section 16 ;

(v) one shall be a member of the committee of management of a producers' society the area of operation of which is within the market area, who is not disqualified under section 16 ;

(vi) one shall be a member of the Taluk Development Board within the jurisdiction of which the market yard is situated, who is not disqualified under section 16 ;

(vii) one shall be a member of the local authority within the jurisdiction of which the market yard is situated, who is not disqualified under section 16 ;

(viii) one shall be an officer subordinate to the Chief Marketing Officer.

Provided that if suitable persons of the categories specified in any category of clauses (ii) to (vii) (both inclusive) are not available, the committee shall consist only of persons of the available categories nominated by the State Government :

Provided further that when suitable persons of the categories not nominated earlier become available subsequently, they may be nominated as members and such members shall hold office so long as the members first nominated hold the office of members.

(2) The State Government shall by notification nominate the Chairman and the Vice-Chairman from among the members nominated under clause (i) of sub-section (1) .

(3) The notifications under sub-sections (1) and (2) shall be issued as soon as possible after the issue of a notification under sub-section (2) of section 6 declaring any specified area as the market.

(4) (a) Save as otherwise provided in this Act, the members of the first market committee shall hold office for a period of two years from the date of notification under sub-section (1) :

Provided that the State Government may by notification extend the term of office of the members by such period or periods not exceeding one year in the aggregate.

(b) Persons who are members by virtue of their being representatives of a local authority, co-operative society or other body of persons shall hold office so long only as they continue to be such representatives.

(c) In the event of a vacancy occurring on account of death, resignation or otherwise, the vacancy shall be filled by nomination by the State Government and the person nominated shall hold office so long only as the member in whose place he is nominated would have held it, if the vacancy had not occurred.

11. *Constitution of second and subsequent market committees.*—(1) Save as provided in section 10, every market committee shall consist of the following members, namely :—

- (i) seven members shall be persons elected by the agriculturists in the market area ;
- (ii) two members shall be persons elected by A class, B class and C class traders in the market area ;
- (iii) one member shall be a person elected by commission agents holding licences to operate in the market area ;
- (iv) one member shall be a representative of the Taluk Marketing Co-operative Society within the area of operation of which the market yard is situated, who is not disqualified under section 16, elected by its committee of management ;
- (v) one member shall be a representative of a producers' society the area of operation of which is within the market area, who is not disqualified under section 16, elected by its committee of management :

Provided that if there be more than one society of the class specified in clause (v) in the market area, then a

representative of any one of such societies as may be specified by the Registrar of Co-operative Societies, in accordance with the principles laid down in the explanation to this sub-section, shall be the member of the market committee :

Provided further that where any society carries on more than one business referred to in clauses (iv) and (v), the Registrar of Co-operative Societies shall specify such society under any one class for the purpose of this Act :

Provided also that if there is no society of any of the classes referred to in clauses (iv) and (v) functioning in the market area, a representative or representatives of such co-operative credit societies functioning in the market area as the Registrar of Co-operative Societies may specify in accordance with the principles laid down in the explanation to this sub-section, who are not disqualified under section 16, elected by the committee or committees of management of the said society or societies, shall be the member or members of the market committee ;

(vi) one member shall be a representative of the Taluk Development Board within the jurisdiction of which the market yard is situated, who is not disqualified under section 16, elected by such Taluk Development Board ;

(vii) one member shall be a representative of the local authority within the jurisdiction of which the market yard is situated, who is not disqualified under section 16, elected by such local authority ;

(viii) one member shall be an officer subordinate to the Chief Marketing Officer nominated by the Chief Marketing Officer :

Provided that if persons of the categories specified in any category of clauses (ii) to (vii) (both inclusive) are not available, the committee shall consist only of persons of the categories available :

Provided further that when persons of those categories become available, they may be elected as members and such members shall hold office so long only as the members first elected hold the office of members.

Explanation.—For purposes of specifying the co-operative society under the first or third proviso to clauses (iv) and (v), the society assigned the highest audit classification by the Registrar of Co-operative Societies, and where a selection has to be made from among more than one society in the same audit classification, the society certified by the said Registrar as a society with wider business activities and efficient administration, shall be the co-operative society to be specified under the said proviso.

2. Notwithstanding anything contained in sub-section (1), when a co-operative society, Taluk Development Board or local authority which is represented on the market committee is superseded, the administrator or any other person entitled to exercise the powers and perform the functions of such society, Taluk Development Board or local authority shall, if not disqualified under section 16, *ex-officio* be a member of the market committee.

12. *Provisions for elections.*—Subject to the provisions of this Act, the members of a market committee shall be elected in the manner prescribed by rules. Such rules may provide also for the preparation and maintenance of the lists of voters, the qualifications and disqualifications of voters, the payment of deposits by candidates and their forfeiture and all matters relating to such elections.

13. *Superintendence, direction and control of elections.*—(1) Subject to the instructions of the Chief Marketing Officer, the superintendence, direction and control of the preparation of the lists of voters for and the conduct of all elections to the market committee, shall be vested in the Deputy Commissioner :

Provided that where the areas in more than one district are included in any market area, the Deputy Commissioner of the District in which the yard is situated shall be the Deputy Commissioner in respect of the market committee of such area for the purposes of this Act.

(2) The State Government shall make available to the Deputy Commissioner such staff and funds as may be necessary for the discharge of the functions and responsibilities conferred on the Deputy Commissioner under this Act.

(3) All expenditure in connection with or incidental to the election of members to the market committees shall be met from the Consolidated Fund of the State.

14. *Constituencies for election of certain members.*—
(1) For the purpose of electing the members referred to in clauses (i), (ii) and (iii) of sub-section (1) of section 11, to a market committee, there shall be the following constituencies in every market area :—

- (i) seven agriculturists' constituencies for electing representatives of agriculturists, each constituency being a single member constituency ;
- (ii) one traders' constituency for the entire market area for electing two representatives of licensed traders ; and
- (iii) one commission agents' constituency for the entire market area for electing one representative of the commission agents.

(2) For the purpose of clause (i) of sub-section (1), the Deputy Commissioner shall by notification determine the territorial extent of the seven agriculturists' constituencies. The number of voters in each such constituency shall as far as practicable be the same throughout the market area.

15. *Qualification for candidates for election.*—Every person, unless disqualified under the provisions of this Act

or any other law for the time being in force, shall be qualified to be elected as a member of the market committee—

- (i) by an agriculturists' constituency, if his name is in the list of voters of any of the agriculturists' constituencies of the market area ;
- (ii) by the traders' constituency, if his name is in the list of voters of the traders' constituency of the market area ; and
- (iii) by the commission agents' constituency, if his name is in the list of voters of the commission agents' constituency of the market area.

16. *Disqualifications for membership.*—Without prejudice to any other disqualifications provided in this Act,—

(1) a person shall be disqualified for being chosen as, or for being, a member of a market committee—

- (a) as a representative of agriculturists, if he or a firm in which he is a partner, or a body corporate (other than a co-operative society) in which he is a Director, or a joint family of which he is a member, does business as a trader, commission agent or broker ;
- (b) as a representative of traders, if he has ceased to be a licensed trader ;
- (c) as a representative of commission agents, if he has ceased to be a licensed commission agent, or if he, or a firm in which he is a partner or a body corporate (other than a co-operative society) in which he is a Director or a joint family of which he is a member, does business as a trader ;

(2) a person shall be disqualified for being chosen as or for being, a member of the market committee—

- (a) if he is less than twenty-one years of age ; or
- (b) if he has been sentenced by a criminal court for imprisonment for an offence which involves

moral turpitude and which is punishable with imprisonment for a term exceeding six months, such sentence not having been subsequently reversed or remitted ; or

- (c) if an order is passed against him under section 108 of the Code of Criminal Procedure, 1898 (Central Act 5 of 1898), in proceedings instituted under section 110 of that Code, such order having not been subsequently reversed or quashed ; or
- (d) if he is an undischarged insolvent ; or
- (e) if he is of unsound mind and stands so declared by a competent court ; or
- (f) if he is a servant of any market committee, local authority or co-operative society or holds a licence from the market committee as a weighman, measurer, or surveyor ; or
- (g) if, save as hereinafter provided, he has directly or indirectly any share or interest in any work done by the order of the market committee, or any contract of employment with, or under, or by, or on behalf, of the market committee ; or
- (h) if he is employed as a legal practitioner on behalf of the market committee or accepts employment as a legal practitioner against the market committee ; or
- (i) if he is a defaulter for a period of more than fifteen days by failing to pay any fee or other amount due to the market committee, from the date on which the bill in that regard is presented to him :

Provided that—

- (i) the disqualification in sub-clause (b) shall cease to operate after the expiry of five years from the date of such sentence ;

(ii) the disqualification in sub-clause (c) shall cease to operate after the expiry of the period during which a person is ordered to furnish security ;

(iii) a person shall not be deemed to have incurred disqualification under clause (g) by reason of his—

(a) having a share in any joint stock company or a share or interest in any association registered under the Mysore Societies Registration Act, 1960, or in any co-operative society which shall contract with or be employed by or on behalf of the market committee ; or

(b) holding debenture or being otherwise concerned in any loan raised by or on behalf of the market committee ;

(3) a person shall be disqualified for being a member of the market committee as a representative of any institution, if he, or a firm of which he is a partner or a body corporate (other than a co-operative society) in which he is a Director, or a joint family of which he is a member, does business as a trader, commission agent or broker.

17. *Disqualification of sitting member.*—(1) If any member of the market committee,—

(a) becomes subject to any of the disqualifications mentioned in section 16 ; or

(b) if a member representing the constituencies mentioned in section 14 absents himself for more than three consecutive months from the market area, unless leave not exceeding six months so to absent himself has been granted by the market committee, or absents himself for six consecutive months from the meetings of the market committee without the leave of the market committee, he shall be disabled from continuing to be a member and his seat shall become vacant ;

Provided that where an application is made by a member to the market committee for leave to absent himself and the market committee fails to inform the applicant of

its decision on the application within a period of two months from the date of the application, the leave applied for shall be deemed to have been granted by the market committee.

(2) Whenever the question of occurrence of a vacancy under sub-section (1) arises, the Deputy Commissioner shall either *suo motu* or on a report from the Secretary to the market committee or otherwise, and after giving an opportunity to the member concerned to be heard and holding such enquiry as he deems fit, decide the question, and his decision shall be final.

18. *Constituency or institution failing to return representative.*—(1) If any constituency fails to return the required number of representatives, owing to the absence of the required number of nominations of candidates, then the State Government shall nominate such number of persons as to make up the required number of members, being persons who would have been qualified to be elected as members representing such constituency, and the persons so nominated shall be deemed to have been duly elected from such constituency. If the failure on the part of a constituency to return the required number of representatives is on account of the rejection of any nomination papers at the time of the scrutiny, then the Deputy Commissioner shall hold another election in that constituency.

(2) If any institution fails to return its representative, then the State Government shall nominate a member of such institution, who is qualified to be elected, as such representative.

19. *Prohibition of simultaneous membership.*—(1) If a person is elected by more than one constituency, he shall by a notice in writing signed by him and delivered to the Deputy Commissioner within the prescribed time, choose any one of the constituencies which he shall serve, and the choice shall be final.

(2) When any such choice has been made, the constituency or each of the constituencies other than the constituency which such a person has chosen to serve, shall be called upon to elect another person.

(3) If the candidate does not make the choice referred to in sub-section (1), the Deputy Commissioner shall determine by lot the constituency which he shall serve, and the constituency or each of the constituencies other than the constituency which he should serve shall be called upon to elect another person.

Explanation.—For purposes of this section, ‘constituency’ shall include any of the institutions referred to in clauses (iv) to (vii) of sub-section (1) of section 11.

20. *Determination of validity of election.*—(1) At any time within fifteen days from the date of publication under section 27 of the result of an election, any candidate who stood for election or any person qualified to vote at that election may challenge the election by presenting an election petition by making the candidates at the election parties to the petition, together with a deposit of two hundred rupees as security for costs in the prescribed manner, to the Munsiff within whose territorial jurisdiction the market yard of the market area concerned is situate for the determination of the validity of the election and claiming any or both of the following reliefs, namely :—

(a) a declaration that the election of all or any of the returned candidates is void ;

(b) a declaration that he himself or any other candidate has been duly elected.

(2) The Munsiff shall, after such enquiry as he deems necessary, pass an order—

(a) dismissing the election petition, or

(b) declaring the election of all or any of the returned candidates to be void, or

(iii) by the improper reception, refusal or rejection of any vote or the reception of any vote which is void ; or

(iv) by any non-compliance with the provisions of this Act or any rules or orders made under this Act,

the Munsiff shall declare the election of any or all of the returned candidates to be void.

22. *Grounds for which a candidate other than the returned candidate may be declared to have been elected.*—If any person who has lodged a petition has, in addition to calling in question the election of the returned candidate, claimed a declaration that he himself or any other candidate has been duly elected, and the Munsiff is of opinion—

(a) that in fact the petitioner or such other candidate received a majority of the valid votes ; or

(b) that but for the votes obtained by the returned candidate by corrupt practices the petitioner or such other candidate would have obtained a majority of the valid votes, the Munsiff shall after declaring the election of the returned candidate to be void declare the petitioner or such other candidate, as the case may be, to have been duly elected.

23. *Procedure in case of an equality of votes.*—If during the trial of an election petition it appears that there is an equality of votes between any candidates at the election and that the addition of a vote would entitle any of those candidates to be declared elected, then—

(a) any decision made by the returning officer under the provisions of this Act or the rules made thereunder shall, in so far as it determines the question between those candidates, be effective also for the purposes of the petition ; and

(b) in so far as that question is not determined by such a decision, the Munsiff shall decide between them by lot and proceed as if the one on whom the lot then falls had received an additional vote.

24. *Corrupt Practices.*—(1) A person shall be deemed to have committed a corrupt practice—

(a) who, with a view to inducing any voter to give or to refrain from giving a vote in favour of any candidate, offers or gives any money or valuable consideration, or holds out any promise of individual profit, or holds out any threat of injury to any person ; or

(b) who gives, procures, or abets the giving of a vote in the name of a voter who is not the person giving such vote ; or

(c) who hires or procures, whether on payment or otherwise, any vehicle or vessel for the conveyance of any voter (other than the person himself, the members of his family or his agent) to and from any polling station :

Provided that the hiring of a vehicle or vessel by a voter or by several voters at their joint cost for the purpose of conveying him or them to or from any such polling station shall not be deemed to be a corrupt practice under this clause if the vehicle or vessel so hired is a vehicle or vessel not propelled by mechanical power :

Provided further that the use of any public transport vehicle or vessel or any railway carriage by any voter at his own cost for the purpose of going to or coming from any such polling station or place fixed for the poll shall not be deemed to be a corrupt practice under this clause.

A corrupt practice shall be deemed to have been committed by a candidate, if it has been committed with his knowledge and consent, or by a person who is acting under the general or special authority of such candidate with reference to the election.

Explanation I.—The expression “promise of individual profit”—

(i) does not include a promise to vote for or against any particular measure which may come before a market committee for consideration ; but

(ii) subject thereto, includes a promise for the benefit of the person himself or any person in whom he is interested.

Explanation II.—The expression “vehicle” means any vehicle used or capable of being used for the purpose of road transport, whether propelled by mechanical power or otherwise and whether used for drawing other vehicles or otherwise.

(2) If the validity of the election is brought in question only on the ground of an error made by the officer charged with carrying out the rules relating to the elections or of an irregularity or informality not corruptly caused, the Munsiff shall not set aside the election.

Explanation.—The expression “error” in this subsection does not include any breach of or any omission to carry out or any non-compliance with the provisions of this Act or the rules made thereunder whereby the result of the election has been materially affected.

25. *Other orders to be made by the Munsiff.*—If the Munsiff by his order under section 21 declares the election of any candidate to be void on the ground specified in clause (b) of that section, he may, if he thinks fit, declare any person by whom any corrupt practice has been committed within the meaning of this section to be disqualified from being a member of any market committee for a term not exceeding five years :

Provided that no such declaration shall be made in respect of any person other than the returned candidate without giving such person an opportunity to show cause why such declaration shall not be made :

Provided further that such person, may, at any time be relieved from such disqualification by an order of the State Government in that behalf.

26. *Appeal against orders of Munsiff.*—(1) Any person aggrieved by any decision or order of the Munsiff

under section 20, 21, 22, 23 or 25, may within thirty days from the date of such decision or order appeal in the prescribed manner to the District Judge within whose territorial jurisdiction the market yard of the market area concerned is situate. The decision of the District Judge on such appeal shall be final and conclusive. The District Judge shall forthwith communicate the result of his decision or order to the Deputy Commissioner, who shall take steps either to publish the names of the persons declared elected or to hold fresh election, as the case may be.

(2) Any person intending to exercise a right of appeal provided in sub-section (1) may obtain an order staying any of the consequences arising on account of the order of the Munsiff passed under section 20, 21, 22, 23 or 25, on deposit in the prescribed manner of an amount of four hundred rupees as security for costs in the Court of the Munsiff apart from the amount of deposit, if any, made under sub-section (1) of section 20. The Munsiff shall order such stay on such deposit for a period not exceeding two months from the date of his order. If no further stay is obtained before the expiry of such period, from the District Judge or if such stay is obtained from the District Judge and the period of stay expires or if such stay is ultimately cancelled, the amount deposited or the balance, if any, out of such amount after deducting the amount of costs, if any, of the parties opposing the appeal or the stay, awarded by the District Judge by his order in such appeal, shall be forfeited to the State Government by an order made in this behalf by the Munsiff unless the District Judge orders the refund of the deposit amount or the balance of the amount, as the case may be, or any part thereof by an order passed in that regard at the time of his giving decision in the appeal or thereafter and such order is communicated to the Munsiff.

(3) Every appeal under this section shall be decided as expeditiously as possible, and endeavour shall be made to determine it finally within three months from the date on which the memorandum of appeal is presented to the District Judge.

27. *Publication of names of elected members.*—The Deputy Commissioner shall publish the names of all the elected members by a notification in the official Gazette.

28. *Casual vacancies.*—Where a vacancy occurs through the resignation, removal or non-acceptance of office by a person elected or nominated to be a member or through such person becoming disqualified to be a member or through any election being set aside or through the death or otherwise previous to the expiry of his term of office, the vacancy shall be filled up as soon as may be after the occurrence of the vacancy by the election or nomination, as the case may be, of a person thereto who shall hold office so long only as the member in whose place he is elected or nominated would have held the office if the vacancy had not occurred :

Provided that if the vacancy of a member occurs within six months preceding the date on which the term of office of the members of the market committee expires, the vacancy may be filled up by the market committee by co-option of a person qualified to be elected as a member in place of the member whose seat has become vacant.

29. *Prohibition of canvassing in or near polling stations.*—(1) No person shall, on the date or dates on which a poll is taken in any polling station, commit any of the following acts in any public or private place within a distance of one hundred metres of the polling station, namely :—

- (a) canvassing for votes ; or
- (b) soliciting the vote of any voter ; or
- (c) persuading any voter not to vote in the election ;

(d) exhibiting any notice or sign other than an official notice relating to the election.

(2) Any person who contravenes the provisions of sub-section (1) shall, on conviction, be punished with fine which may extend to two hundred and fifty rupees.

(3) An offence punishable under this section shall be cognizable.

30. *Penalty for disorderly conduct in or near polling station.*—(1) No person shall, on the date or dates on which a poll is taken at any polling station—

(a) use or operate within or at the entrance of the polling station, or in any public or private place in the neighbourhood thereof, any apparatus for amplifying or reproducing the human voice, such as a megaphone or a loudspeaker, or

(b) shout, or otherwise act in a disorderly manner, within or at the entrance of the polling station or in any public or private place in the neighbourhood thereof, so as to cause annoyance to any person visiting the polling station for the poll, or so as to interfere with the work of the officers and other persons on duty at the polling station.

(2) Any person who contravenes, or wilfully aids or abets the contravention of the provisions of sub-section (1) shall, on conviction, be punished with fine which may extend to two hundred and fifty rupees.

(3) If the presiding officer of a polling station has reason to believe that any person is committing or has committed an offence punishable under this section, he may direct any police officer to arrest such person, and thereupon the police officer shall arrest him.

(4) Any police officer may take such steps and use force as may be reasonably necessary for preventing any contravention of the provisions of sub-section (1), and may seize any apparatus used for such contravention.

31. *Penalty for misconduct at polling station.*—(1) Any person who during the hours fixed for the poll at any polling station misconducts himself or fails to obey the lawful directions of the presiding officer may be removed from the polling station by the presiding officer or by any police officer on duty or by any person authorised in this behalf by such presiding officer.

(2) The powers conferred by sub-section (1) shall not be exercised so as to prevent any voter who is otherwise entitled to vote at a polling station from having an opportunity of voting at that station.

(3) If any person who has been so removed from a polling station re-enters the polling station without the permission of the presiding officer, he shall, on conviction, be punished with fine which may extend to two hundred and fifty rupees.

(4) An offence punishable under sub-section (3) shall be cognizable.

22. *Maintenance of secrecy of voting.*—(1) Every officer, clerk, agent or other person who performs any duty in connection with the recording or counting of votes at an election shall maintain, and aid in maintaining, the secrecy of the voting and shall not (except for some purpose authorised by or under any law) communicate to any person any information calculated to violate such secrecy.

(2) Any person who contravenes the provisions of sub-section (1) shall, on conviction, be punished with imprisonment for a term which may extend to three months or with fine which may extend to two hundred rupees, or with both.

33. *Officers, etc., at elections not to act for candidates or influence voting.*—(1) No person who is a returning officer, or a presiding or polling officer at an election, or an officer or clerk appointed by the returning officer or the presiding officer to perform any duty in connection with an election shall, in the conduct or the management of the election, do any act other than the giving of vote for the furtherance of the prospects of the election of a candidate.

(2) No such person as aforesaid, and no member of a police force, shall endeavour—

(a) to persuade any person to give his vote at an election; or

(b) to dissuade any person from giving his vote at an election ; or

(c) to influence the voting of any person at an election in any manner.

(3) Any person who contravenes the provisions of sub-section (1) or sub-section (2) shall, on conviction, be punished with imprisonment for a term which may extend to six months or with fine which may extend to two hundred rupees, or with both.

34. *Breaches of official duty in connection with elections.*—(1) If any person to whom this section applies is without reasonable cause guilty of any act or omission in breach of his official duty, he shall, on conviction, be punished with fine which may extend to five hundred rupees.

(2) No suit or other legal proceedings shall lie against any such person for damages in respect of any such act or omission as aforesaid.

(3) The persons to whom this section applies are the returning officers, presiding officers, polling officers and any other person appointed to perform any duty in connection with the receipt of nominations or withdrawal of candidatures, or the recording or counting of votes at an election; and the expression "official duty" shall for the purposes of this section be construed accordingly, but shall not include duties imposed otherwise than by or under this Act or the rules or orders made thereunder.

35. *Removal of ballot papers from polling stations to be an offence.*—(1) Any person who at any election fraudulently takes, or attempts to take a ballot paper out of a polling station, or wilfully aids or abets the doing of any such act, shall, on conviction, be punished with imprisonment for a term which may extend to one year, or with fine which may extend to five hundred rupees, or with both.

(2) If the presiding officer of a polling station has reason to believe that any person is committing or has

committed an offence punishable under sub-section (1), such officer may, before such person leaves the polling station, arrest or direct a police officer to arrest such person and may search such person or cause him to be searched by a police officer :

Provided that when it is necessary to cause a woman to be searched, the search shall be made by another woman with strict regard to decency.

(3) Any ballot paper found upon the person arrested on search shall be made over for safe custody to a police officer by the presiding officer, or when the search is made by a police officer, shall be kept by such officer in safe custody.

(4) An offence punishable under sub-section (1) shall be cognizable.

36. *Other offences and penalties therefor.*—(1) A person shall be guilty of an offence if at any election he—

(a) fraudulently defaces or fraudulently destroys any nomination paper ; or

(b) fraudulently defaces, destroys or removes any list, notice or other document affixed by or under the authority of a returning officer ; or

(c) fraudulently defaces or fraudulently destroys any ballot paper or the official mark on any ballot paper ; or

(d) without due authority supplies any ballot paper to any person ; or

(e) fraudulently puts into any ballot box anything other than the ballot paper which he is authorised by law to put in ; or

(f) without due authority destroys, takes, opens or otherwise interferes with any ballot box or ballot papers then in use for the purposes of the election ; or

(g) fraudulently or without due authority, as the case may be, attempts to do any of the foregoing acts or wilfully aids or abets the doing of any such acts.

(2) Any person guilty of an offence under this section shall,—

(a) if he is a returning officer or a presiding officer at a polling station or any other officer or clerk employed on official duty in connection with the election, on conviction, be punished with imprisonment for a term which may extend to two years, or with fine which may extend to five hundred rupees, or with both ;

(b) if he is any other person, on conviction, be punished with imprisonment for a term which may extend to six months, or with fine which may extend to two hundred and fifty rupees, or with both.

(3) For the purpose of this section, a person shall be deemed to be on official duty if he has to take part in the conduct of an election or part of an election, including the counting of votes or to be responsible after an election for the used ballot papers and other documents in connection with such election, but the expression “official duty” shall not include any duty imposed otherwise than by or under this Act.

(4) An offence punishable under clause (b) of sub-section (2) shall be cognizable.

37. *Prosecution of certain offences.*—No Court shall take cognizance of an offence punishable under section 33 or 34 or under clause (a) of sub-section (2) of section 36 unless there is a complaint made by an order of or under authority from the Deputy Commissioner.

38. *Term of office of members.*—(1) The members of the market committee shall, save as otherwise provided in this Act, hold office for a term of four years :

time, the said term for a period or periods not exceeding one year.

(2) Notwithstanding anything contained in sub-section (1), a person who is a member of a market committee by virtue of being a representative of any institution shall cease to be such member on his ceasing to be a member of the managing body of the institution concerned by efflux of his term of office or otherwise.

39. *Commencement of term of office.*—(1) The term of office of the members of a market committee shall commence on the date immediately after the expiry of the term of office of the out-going members of the market committee or on the date of the publication of the names of the elected members under section 27, whichever is later.

(2) When not less than two-thirds of the representatives of agriculturists, and not less than two-thirds of the total number of members of a Market Committee are available to function as members after a general election, the market committee shall, notwithstanding anything contained in this Act, be deemed to be duly constituted; and the market committee so constituted shall be competent to exercise the powers and perform the functions of the market committee.

40. *Resignation of members.*—A member of a market committee other than an *ex-officio* member may resign his membership in writing, under his hand addressed to the Chairman of the market committee and his seat shall become vacant on the expiry of fifteen days from the date of such resignation unless within the said period of fifteen days, he withdraws such resignation in writing under his hand addressed to the Chairman.

41. *Election of Chairman and Vice-Chairman.*—(1) Subject to the provisions of sub-sections (2) and (3), every market committee shall choose two members representing

to be respectively the Chairman and Vice-Chairman thereof and so often as the office of the Chairman or the Vice-Chairman becomes vacant by death, resignation, removal or otherwise, the market committee shall choose another member to be the Chairman or the Vice-Chairman, as the case may be, in accordance with the provisions of this Act and the rules.

(2) On the constitution of a market committee under section 11 or on its reconstitution, a meeting shall be called within four weeks from the date of commencement of the term of office of the members of the market committee by the prescribed officer who shall himself preside over the meeting, but shall have no right to vote. Such meeting shall first proceed to elect a member representing an agriculturists' constituency, as its Chairman. In the case of equality of votes, the result of the election of the Chairman shall be decided by lot to be drawn by the officer presiding at the meeting. The meeting shall then proceed to elect another member representing another agriculturists' constituency, as its Vice-Chairman.

(3) Where a Chairman has to be elected on account of the vacancy occurring in the office of the Chairman, the meeting for such election shall be convened by the prescribed officer and the election held in the manner specified in sub-section (2).

(4) Any dispute relating to the validity of the election of the Chairman or the Vice-Chairman under sub-section (1), (2) or (3) shall be decided by the District Judge having jurisdiction over the area in which the office of the market committee is located, in accordance with such rules as may be prescribed. The decision of the District Judge in that behalf shall be final, and no suit or other proceedings shall lie in any civil court in respect of any such decision.

42. *Term of office of Chairman or Vice-Chairman and Tahsildar to be in-charge on expiry of such term.*—(1) Save

as otherwise provided in this Act, the Chairman and Vice-Chairman shall continue in office for the term of the market committee :

(2) Notwithstanding anything contained in this Act, on the expiry of the term of office of the Chairman and Vice-Chairman and of the market committee, the Tahsildar of the Taluk in which the yard is situated shall exercise the powers and perform the functions of the market committee and its Chairman until the market committee is reconstituted and its Chairman is elected.

43. *Vacancy in office of Chairman and Vice-Chairman.*—(1) A member holding office as Chairman or Vice-Chairman may resign his office at any time by writing under his hand addressed to the Chief Marketing Officer and the office shall become vacant on the expiry of fifteen clear days from the date of such resignation, unless, within the said period of fifteen days, he withdraws such resignation in writing under his hand addressed to the Chief Marketing Officer.

(2) Every Chairman or Vice-Chairman shall vacate office if he ceases to be a member of the market committee.

(3) During the vacancy in the office of the Chairman and when there is no Vice-Chairman to take his place, then, notwithstanding anything contained in this Act, the Tahsildar of the Taluk in which the yard is situated shall exercise the powers and perform the functions of the Chairman until a Chairman or Vice-Chairman is duly elected.

44. *Motion of no-confidence.*—(1) A motion of no-confidence may be moved by any member against the Chairman or the Vice-Chairman after giving such notice as may be prescribed and such notice shall be supported by not less than one-third of the total number of members of the market committee. If a meeting for consideration of the no-confidence motion is not directed by the Chairman to be convened within thirty days from the date of the notice, the Secretary of the market committee shall convene the meeting.

Chairman is carried by a majority of not less than two-thirds of the total number of members of the market committee, the Chairman or the Vice-Chairman, as the case may be, shall be removed from his office by an order passed to that effect by the Chief Marketing Officer. The order shall be communicated to the Secretary of the market committee and to the Chairman or the Vice-Chairman concerned :

Provided that the Chairman or the Vice-Chairman shall vacate office on the expiry of thirty days from the date of the passing of the motion, if no order of such removal is passed within the said period.

(3) Notwithstanding anything contained in this Act or the rules, the Chairman or the Vice-Chairman shall not preside over a meeting in which a motion of non-confidence is discussed against him, but he shall have a right to speak and otherwise to take part in the proceedings of the market committee :

45. *Leave of absence to Chairman and Vice-Chairman and consequences of absence without leave.*—(1) Every Chairman and every Vice-Chairman officiating as Chairman who for a continuous period exceeding forty days absents himself from the market area, or from attending the office of the market committee, in such manner as to be unable to perform his duties as Chairman or officiating Chairman, as the case may be, shall cease to be the Chairman or the Vice-Chairman, as the case may be, unless leave so to absent himself has been granted by the market committee.

(2) Subject to the provisions of sub-section (1), every Vice-Chairman who for a continuous period exceeding three months absents himself from the market area, shall cease to be the Vice-Chairman unless leave so to absent himself has been granted by the market committee.

(3) Leave under sub-section (1) or (2) shall not be granted for a period exceeding one hundred and eighty days in any one year. Whenever such leave is granted to the

members eligible to elect—
all the powers and perform all the duties of the Vice-Chairman in lieu of the Vice-Chairman, who shall be exercising the powers and performing the duties of the Chairman during the period for which such leave is granted. Whenever such leave is granted to the Vice-Chairman, the market committee shall elect one of its members eligible to be elected as Vice-Chairman to exercise the powers and to perform the duties of the Vice-Chairman, during the period for which such leave is granted.

CHAPTER IV

CONDUCT OF BUSINESS

46. *Powers and duties of Chairman.*—Without prejudice to the powers conferred on the Chairman under any other provision of this Act,—

(1) the Chairman of the market committee shall be the chief controlling and supervising officer of the market committee. All officers and servants of the market committee shall, subject to the provisions of this Act, the rules, the bye-laws and the directions, if any, given by the committee, be subject to his control.

(2) The Chairman shall—

- (a) preside over the meetings of the market committee and the sub-committees and conduct business at such meetings ;
- (b) watch over the financial and executive administration of the market committee ;
- (c) exercise supervision and control over the officers and servants (whether such officers or servants are Government servants or not) of the market committee in matters of executive administration, concerning accounts and records and disposal of all questions relating to the service of the employees : and

- (d) in cases of emergency, direct the execution of stoppage of any work or the doing of any act which requires the sanction of the market committee.

47. *Powers and duties of Vice-Chairman.*—The Vice-Chairman of the market committee shall—

(a) save as otherwise provided in this Act or the rules, in the absence of the Chairman, preside over the meeting of the market committee and the sub-committees ;

(b) exercise such powers and perform such duties of the Chairman, as the Chairman may, from time to time, delegate to him ; and

(c) exercise the powers and perform the duties of the Chairman, pending the election of the Chairman or during the absence of the Chairman on leave.

48. *Meeting of the market committee.*—(1) A market committee shall meet for the transaction of its business at least once in every month at the office of the market committee on such date and at such time, as the Chairman may determine :

Provided that the market committee may, in special circumstances meet at any other place in the market area, if by a resolution passed to that effect, it directs that any meeting of the market committee shall be convened to meet at any place in the said area other than in the office of the market committee.

(2) The Chairman may, whenever he thinks fit, and shall, upon the written request of not less than one-third of the total number of members and on a date within twenty-one days from the receipt of such request, call a special meeting. Such request shall specify the object for which the meeting is proposed to be called.

(3) If the Chairman fails to call a special meeting as provided in sub-section (2), the Vice-Chairman or one-third of the total number of members may call such meeting

for a day not more than forty days after the presentation of such request and require the Secretary to give notice to the members and take such action as may be necessary to convene the said meeting, and on such request the Secretary shall convene the meeting accordingly.

(4) Seven clear days' notice of an ordinary meeting and five clear days' notice of a special meeting specifying the date, time and place at which such meeting is to be held and the business to be transacted thereat, shall be sent to the members entitled to attend the meeting and affixed on the notice board of the office of the market committee. Such notice shall include, in the case of a special meeting, any motion or proposition to be considered at such meeting :

Provided that in case of urgency, the Chairman may, for reasons to be recorded in writing, convene a special meeting of the market committee by giving thirty-six hours previous notice to the members.

49. *Quorum and procedure at meetings.*—(1) As nearly as may be one-third of the total number of members of the market committee shall form a quorum for transacting the business at a meeting of the committee. If within half-an-hour from the time appointed for the meeting, the quorum is not present, the presiding authority shall adjourn the meeting to such hour on some future date as may be fixed by such authority. The presiding authority shall similarly adjourn the meeting at any time after it has begun, if his attention is drawn to the want of a quorum. At such adjourned meeting at which there is a quorum, the business which could have been brought before the original meeting shall be transacted.

(2) Every meeting shall be open to the public unless the presiding authority deems any inquiry or deliberation pending before the committee should be held *in camera* :

Provided that the presiding authority may at any time, cause any person who interrupts the proceedings to be

removed and may be used.

(3) Every meeting shall be presided over by the Chairman, or, if he is absent, or is disqualified to preside, by the Vice-Chairman, and if both the Chairman and Vice-Chairman are absent or disqualified to preside or if the Chairman is absent and there is no Vice-Chairman, by such one of the members present in the meeting as may be chosen by the meeting to be the Chairman for the occasion. No quorum shall be necessary for choosing a member for presiding over a meeting for adjourning such meeting for want of quorum.

(4) All questions shall, unless otherwise specially provided in this Act, the rules or the bye-laws, be decided by majority of votes of the members present and voting. The presiding authority, unless he refrains from voting, shall give his vote before declaring the number of votes for and against a question and in case of equality of votes, he shall give an additional or casting vote.

(5) No member of a market committee shall vote on, or take part in the discussions of, any question coming up for consideration at a meeting of the market committee or any sub-committee, if the question is one in which, apart from its general application to the public, he has any direct or indirect pecuniary interest.

(6) If the presiding authority is believed by any member present at the meeting to have any such pecuniary interest in any matter under discussion, and if a motion to that effect is carried, he shall not preside at the meeting during such discussion, or vote on, or take part in it. Any member of the committee may be chosen to preside at the meeting during the continuance of such discussion.

(7) No business shall be transacted and no proposition shall be discussed at any meeting unless it has been specified in the notice convening such meeting:

Provided that the Chairman may propose any urgent subject of a routine nature not included in the notice if no member objects to it:

Provided further that a member may propose any resolution connected with or incidental to the subjects included in the notice.

(8) The order in which any business or proposition shall be brought forward in such meeting shall be determined by the presiding authority who, in case it is proposed by any member to give priority to any particular item of such business, or to any particular proposition, shall act in accordance with the decision of the committee on such proposal.

(9) Any ordinary meeting may, with the consent of the majority of the members present, be adjourned from time to time, but no business shall be transacted at any adjourned meeting other than that left undisposed of at the meeting from which the adjournment took place.

50. *Modification or cancellation of resolutions.*—No resolution of the market committee shall be modified or cancelled within six months after the passing thereof, except by a resolution passed by not less than one half of the total number of members present at an ordinary or special meeting, notice whereof shall have been given setting forth fully the resolution which it is proposed to modify or cancel in such meeting and the motion or proposition for the modification or cancellation of such resolution.

51. *Minutes.*—Minutes shall be kept of the names of the members present and of the proceedings, at each meeting of the committee, and if any member present at the time so desires, of the names of the members voting, respectively for or against the resolution, in a book to be provided for this purpose, which shall be signed as soon as practicable by the Secretary and the presiding authority of such meeting, and shall at all reasonable times, be open to inspection by any member of the committee, or save as otherwise provided in the rules, on payment of the fee prescribed in the bye-laws by any person entitled to vote at the elections of members of the market committee.

52. *Confirmation of minutes.*—Minutes of every meeting of the market committee shall be read at the commencement of every subsequent meeting and confirmed as they are recorded or with such modifications if any to be made therein consistent with the transaction of business at the meeting to which they relate.

53. *Interpellation and resolutions.*—(1) A member of a market committee may move resolutions and interpellate the Chairman on matters concerned with the administration of the market committee, subject to such bye-laws as may be made by the committee.

(2) A member of a market committee may also call the attention of the Chairman to any neglect or irregularity in the affairs of the market committee, any waste of property belonging to the market committee or to the want of any amenities within the market area or to any general or particular grievance relating to the regulation of the market, and may suggest any improvements which may be desirable.

(3) A market committee may pass and submit for the consideration of the Chief Marketing Officer resolutions on any question connected with the administration of the market area.

54. *Bye-laws to regulate detailed procedure at meetings.*—Subject to the provisions of this Act and the rules, the procedure at a meeting of the market committee or at the meetings of the sub-committees of a market committee shall be in accordance with the bye-laws made for that purpose.

55. *Mode of making contracts.*—(1) No contract or agreement on behalf of the market committee for the purchase, sale, lease, mortgage or other transfer of or acquisition of interest in immoveable property shall be executed on behalf of the market committee except with the sanction of the market committee :

Provided that in cases where the powers under this sub-section in respect of any matters are delegated to a sub-committee, sanction of such sub-committee shall be obtained.

(2) Save as provided in sub-section (1),—

(i) the Secretary of the market committee may execute contracts or agreements on behalf of the market committee where the amount or value of such contract or agreement does not exceed rupees five hundred regarding matters in respect of which he is generally or specially authorised to do so by a resolution of the market committee;

(ii) the Chairman and the Secretary of the market committee may jointly execute contracts or agreements on behalf of the market committee where the amount or value of such contract or agreement does not exceed rupees two thousand; and

(iii) in any case other than those referred to in clauses (i) and (ii), a contract or agreement on behalf of the market committee shall be executed by the Chairman, the Secretary, and one other member of the market committee, who shall have been generally or specially authorised by a resolution of the committee to do so.

(3) Every contract entered into by the market committee shall be in writing and shall be signed on behalf of the market committee by the person or persons authorised to do so under the provisions of sub-section (2).

(4) No contract other than a contract executed as provided in sub-sections (1), (2) and (3) shall be valid or binding on the market committee.

(5) Where a contract or agreement is entered into on behalf of a market committee, the Secretary of the market committee shall report the fact to the market committee at its meeting convened on any date next after the date of the entering into of such contract or agreement.

56. *Powers, functions and duties of the Secretary.*—Subject to the powers of the Chairman under section 46 and the other provisions of this Act or the rules, the Secretary shall be the chief executive officer of the market committee, and shall exercise and perform the following powers and duties, in addition to such other duties as may be specified in this Act, the rules or bye-laws, namely :—

(i) convene the meetings of the market committee and of the sub-committees, if any, and maintain the minutes of the proceedings thereof ;

(ii) attend the meeting of the market committee and of every sub-committee and take part in the discussion but shall not move any resolution or vote at any such meeting ;

(iii) take action to give effect to the resolutions of the committee and of the sub-committees, and report about all actions taken in pursuance of such resolutions, to the committee, as soon as possible ;

(iv) furnish to the market committee such returns, statements, estimates, statistics and reports as the market committee may from time to time require including reports,—(a) regarding the fines and penalties levied on, and any disciplinary action taken against the members of the staff and the market functionaries and others, (b) regarding over—trading by traders ; (c) regarding contraventions of the Act, the rules, the bye-laws or the standing orders by any person ; (d) regarding the suspension or cancellation of licences by the Chairman or the Chief Marketing Officer, (e) regarding the administration of the market committee and the regulation of the marketing ;

(v) produce before the committee such documents, books, registers and the like as may be necessary for the transaction of the business of the committee or the sub-committees, and also whenever called upon by the market

(vi) exercise supervision and control over the acts of all officers and servants of the committee ;

(vii) collect fees and other moneys leviable by or due to the market committee ;

(viii) be responsible for all moneys credited to or received on behalf of the market committee ;

(ix) make disbursements of all moneys lawfully payable by the market committee ;

(x) report to the Chairman and the Chief Marketing Officer as soon as possible in respect of fraud, embezzlement, theft or loss of market committee funds or property ;

(xi) prefer complaints in respect of prosecutions to be launched on behalf of the market committee and conduct proceedings, civil or criminal, on behalf of the market committee.

57. *Acts of market committee, etc., not to be invalidated.*—No act of a market committee, or of any sub-committee thereof, or of any person acting as a member, Chairman, Vice-Chairman, presiding authority or Secretary shall be deemed to be invalid by reason only of some defect in the constitution or appointment of such market committee, sub-committee, member, Chairman, Vice-Chairman, presiding authority or Secretary or on the ground that they, or any of them, were disqualified for such office, or that formal notice of the intention to hold a meeting of the committee or of the sub-committee was not given duly or by reason of such act having been done during the period of any vacancy in the office of the Chairman, Vice-Chairman, or Secretary or member of such committee or

CHAPTER V

STAFF OF THE MARKET COMMITTEES

58. *Appointment of Secretary and technical staff to the market committee.*—(1) Every market committee shall have a Government servant as the Secretary appointed by the State Government or by an officer or authority authorised by the State Government in that behalf.

(2) A market committee may also have a Government servant as an Assistant Secretary or such number of Assistant Secretaries as may be determined by the Chief Marketing Officer, appointed by the State Government or an officer or authority authorised by it in that behalf.

(3) The accounts and audit staff of every market committee shall consist of Government servants appointed by the State Government or by an officer or authority authorised by it in that behalf.

(4) There may be an Engineer and other subordinate staff under him for a group of such number of market committees as the State Government may, considering the importance and the work in such market committees, by general or special order determine.

(5) All the officers specified under sub-sections (1), (2), (3) and (4) shall be the servants of the State Government. They shall draw their salary and allowances from the Consolidated Fund of the State. The conditions of service of such officers and staff shall save as otherwise provided in section 59 be such as may be determined by the State Government.

59. *Absorption of certain staff of market committees in Government service.*—(1) Officers and servants of market committees (by whatever name called) holding the classes of posts specified in sub-sections (1), (2) and (3) of section 58 on the twenty-fourth day of February 1966 and continuing to hold such posts on the date immediately

prior to the date of commencement of this Act, shall, with effect from the date of such commencement, become officers and servants of the State Government.

*Explanation :—*The State Government shall determine the designations of the officers and servants of the market committees who shall become officers and servants of the State Government under this sub-section.

(2) The officers and servants of market committees who become officers and servants of the State Government under sub-section (1), shall hold their office by the same tenure, at the same remuneration and upon the same terms and conditions of service and with the same rights and privileges as to pension, gratuity, provident fund and such matters as they would have held the same under the market committee concerned and shall continue to do so until their remuneration, terms and conditions of service including the privileges as to pension, provident fund and gratuity are altered by rules or other provisions made under Article 309 of the Constitution, and any such alteration shall have effect, notwithstanding anything contained in any contract or law for the time being in force.

(3) Notwithstanding anything contained in the Industrial Disputes Act, 1947 (Central Act 14 of 1947), or in any other law for the time being in force or in any contract the transfer of the services of any officer or servant of a market committee by virtue of sub-section (1) shall not entitle any such officer or servant to any compensation or payment under that Act or other law or contract, and no such claim shall be entertained by any court, tribunal or other authority.

60. *Withdrawal of Secretary from office.*—The Secretary of the market committee shall be transferred from that office by the Chief Marketing Officer if at a meeting of the market committee called for the purpose, not less than three-fourths of the total number of members of the market committee vote for such transfer.

61. Power of market committee to employ other staff.—(1) Subject to such conditions as may be provided in the rules, the market committee may employ such officers and servants other than those specified under section 58, as may be necessary for the management and regulation of the market and for transacting the affairs of the market committee and may pay such officers and servants such salaries as the market committee may determine.

(2) The market committee may also in the case of any of its officers and servants appointed under sub-section (1) provide for them such leave, allowances, pension and gratuities as may be provided in the bye-laws and may contribute to any provident fund which may be established for the benefit of such officers and servants.

(3) Notwithstanding anything contained in sub-sections (1) and (2), the market committee may create temporary posts for a period not exceeding four months and make appointments thereto subject to the condition that the maximum monthly pay of such posts shall not exceed one hundred and twenty rupees.

62. Mysore State Marketing Service.—Notwithstanding anything in this Act, or the rules, the State Government may, by notification, constitute any class of officers or servants employed for the purposes of this Act into a Marketing Service for the State to be designated as "The Mysore State Marketing Service".

CHAPTER VI

POWERS AND DUTIES OF MARKET COMMITTEES

63. Powers and duties of market committee.—(1) Subject to the provisions of this Act, it shall be the duty of a market committee,—

(i) to implement the provisions of this Act, the rules and bye-laws made thereunder in the market area ;

(ii) to provide such facilities for marketing of agricultural produce therein as the State Government may from time to time direct ;

(iii) to do such other acts as may be required in relation to the superintendence, direction and control of markets or for regulating marketing of agricultural produce in any place in the market area, and for purposes connected with the matters aforesaid,

and for that purpose may exercise such powers and discharge such functions as may be provided by or under this Act.

(2) Without prejudice to the generality of the foregoing provision,—

(a) a market committee shall—

- (i) maintain and manage the yards ;
- (ii) provide the necessary facilities for the marketing of agricultural produce in the yards and outside the markets and sub-markets in the market area ;
- (iii) grant or refuse licences to market functionaries and renew, suspend or cancel such licences ;
- (iv) supervise the conduct of the market functionaries ;
- (v) regulate the opening, closing and suspending of trading in the yards ;
- (vi) enforce the conditions of the licences ;
- (vii) regulate the making, carrying out and enforcement or cancellation of agreements of sales, the weighment, delivery, payment and all other matters relating to the marketing of notified agricultural produce ;
- (viii) provide for the settlement of all disputes between the seller and the buyer arising out of any kind of transaction connected with the marketing of notified agricultural produce and all matters ancillary thereto ;

- (ix) collect, maintain and disseminate information in respect of production, sale, storage, processing, prices and movement of notified agricultural produce ;
- (x) take all possible steps to prevent adulteration of goods and promote grading and standardization of the notified agricultural produce ;
- (xi) take measures for maintenance of market stability, by prevention of over-trading and thus decreasing the local risk attendant upon the business of selling and buying notified agricultural produce ;
- (xii) levy, take, recover and receive rates, charges, fees and other sums of money to which the market committee is entitled ;
- (xiii) employ the necessary number of officers and servants for the efficient implementation of the provisions of this Act, the rules and the bye-laws ;
- (b) a market committee may—
 - (i) regulate the entry of persons and vehicular traffic into the yard ;
 - (ii) prosecute persons for violating the provisions of this Act, the rules and the bye-laws and compound such offences ;
 - (iii) acquire, hold and dispose of any moveable or immoveable property for the purpose of efficiently carrying out its duties ;
 - (iv) impose penalties on persons who contravene the provisions of this Act, the rules or the bye-laws or the orders or directions issued under this Act, the rules or the bye-laws by the market committee, its Chairman or by any officer duly authorised in this behalf ;
 - (v) institute or defend any suit, action, proceeding, application or arbitration and compromise

such suit, action, proceeding, application or arbitration ;

- (vi) provide facilities such as provision of adequate space for direct sales by a producer and assist a producer by preparing invoices and bills on his behalf when he sells his produce to a trader without employing a commission agent.

64. *Appointment of sub-committees and delegation of powers.*—The market committee may appoint one or more sub-committees consisting of one or more of its members for reporting or giving opinion on any matter or it may subject to such restrictions and conditions as may be specified in the bye-laws, delegate to any such sub-committee such of its powers or duties as it may think fit.

65. *Levy of market fees.*—(1) The market committee shall levy and collect market fees from the buyer in respect of agricultural produce bought by,—

- (i) any trader or other person in the yard ; and
- (ii) any trader outside the market or sub-market in the market area,

at such rate as may be specified in the bye-laws (which shall not be more than thirty paise per one hundred rupees of the price of the agricultural produce) in such manner and at such times as may be specified in the bye-laws.

(2) For purposes of sub-section (1), all notified agricultural produce leaving a yard shall, unless the contrary is proved, be presumed to have been bought within such yard by the person in possession of such produce.

66. *Power to order production of accounts and power of entry, inspection and seizure.*—(1) Any officer or servant of the market committee empowered by the State Government in this behalf, may, for purposes of this Act, require any person carrying on business in any kind of

notified agricultural produce to produce before him the accounts and other documents and to furnish any information relating to the stocks of such agricultural produce, or purchases, sales and deliveries of such agricultural produce by such person and also any other information relating to payment of the market fees by such person.

(2) All accounts and registers maintained by any person in the ordinary course of business in any notified agricultural produce and documents relating to the stock of such agricultural produce or purchases, sales and deliveries of such agricultural produce in his possession and the offices, establishments, godowns, vessels or vehicles of such person shall be open to inspection at all reasonable times by such officers and servants of the market committee as may be authorised by the State Government in this behalf.

(3) If any such officer or servant has reason to suspect that any person is attempting to evade the payment of any market fee due from him under section 65, or that any person has purchased any notified agricultural produce in contravention of any of the provisions of this Act or the rules, or the bye-laws in force in the market area, he may for reasons to be recorded in writing, seize such accounts, registers or documents of such person as may be necessary, and shall grant a receipt for the same and shall retain the same only so long as may be necessary for examination thereof or for a prosecution.

(4) For purposes of sub-section (2) or sub-section (3), such officer or servant may enter or search any place of business, warehouse, office, establishment, godown, vessel or vehicle where such officer or servant has reason to believe that such person keeps or for the time being keeps any accounts, registers or documents of his business, or stocks of notified agricultural produce relating to his business.

(5) The provisions of sections 102 and 103 of the Code of Criminal Procedure, 1898, shall, so far as may be, apply to a search under sub-section (4).

(6) Where any books of account or other documents are seized from any place and there are entries therein making reference to quantity, quotations, rates, receipt or payment of money or sale or purchase of goods, such books of account or other documents shall be admitted in evidence without witness having to appear to prove the same; and such entries shall be *prima facie* evidence of the matters, transactions and accounts purported to be therein recorded.

67. *Power to stop vehicles, etc.*—(1) At any time when so required by any officer or servant of a market committee empowered in this behalf by the State Government, the driver or any other person in charge of any vehicle, vessel or other conveyance, which is taken or proposed to be taken out of the market area shall stop the vehicle, vessel or other conveyance, as the case may be, and keep it stationary as long as may reasonably be necessary, and allow such officer or servant to examine the contents in the vehicle, vessel or other conveyance and inspect all records relating to the notified agricultural produce carried, and give his name and address and the name and address of the owner of the vehicle, vessel or other conveyance and of the owner of the notified agricultural produce carried in such vehicle, vessel or other conveyance.

(2) The officer or servant of the market committee empowered under sub-section (1) shall have power to seize any notified agricultural produce taken or proposed to be taken out of the market area in any vehicle, vessel or other conveyance, if such officer or servant has reason to believe that any fee or other amount due under this Act in respect of such produce has not been paid. Such seizure shall forthwith be reported by the officer or servant aforesaid to a magistrate having jurisdiction to try the offence under this Act and the provisions of sections 523, 524 and 525 of the Code of Criminal Procedure, 1898, shall, so far as may be, apply in relation to the notified agricultural produce seized as aforesaid as they apply in relation to property seized by a police officer.

68. *Power to borrow.*—(1) A market committee may with the previous sanction of the State Government raise money or issue debentures required for carrying out the purposes for which it is established on the security of any property vested in it and of any fees leviable by it under this Act.

(2) The market committee may, for the purpose of meeting the initial expenditure on lands, buildings, staff and equipment required for establishing the market, obtain a loan from the State Government.

(3) The conditions subject to which such money or loan shall be raised or obtained and the time within which the same shall be repayable shall be subject to the previous sanction of the State Government.

69. *Acquisition of lands.*—(1) If at any time after a notification is issued under section 4, the market committee or the State Government is of opinion that any land is needed for the purposes of this Act, the State Government may, proceed to acquire it under the provisions of the Land Acquisition Act, 1894 :

Provided that once a proposal is made by the market committee it shall not be withdrawn by it except for such reasons as may be approved by the State Government.

(2) When such land vests in the State Government, it shall be transferred by the State Government to the market committee on payment by the market committee of the compensation awarded under the Land Acquisition Act, 1894, within such period and in such manner as the State Government may, by general or special order, determine, and on such transfer, the land shall vest in the market committee.

70. *Composition of offences.*—(1) The market committee may accept from any person who has committed or is reasonably suspected of having committed an offence (other than such offences as may be prescribed)

against this Act or the rules or bye-laws, by way of composition of such offence,—

(a) where the offence consists of the failure to pay or the evasion of any fee, or other amount recoverable under this Act or the rules or the bye-laws, in addition to the fee or other amount so recoverable, a sum of money not exceeding five hundred rupees or double the amount of the fee or other amount whichever is greater; and

(b) in other cases, a sum of money not exceeding five hundred rupees.

(2) On the composition of any offence under subsection (1), no proceeding shall be taken or continued against the person concerned in respect of such offence, and if any proceedings in respect of that offence have already been instituted against him in any court, the composition shall have the effect of his acquittal.

71. *Power to write off irrecoverable fee, etc.*—A market committee may write off any fee or other amount whatsoever due to it, whether under a contract or otherwise, or any amount payable in connection therewith, if in its opinion, such fee, or amount is irrecoverable:

Provided that the market committee shall, before writing off any such fee, or amount obtain the sanction of—

(i) the Chief Marketing Officer, if the fee or amount exceeds one hundred rupees, but does not exceed such amount as may be prescribed, and

(ii) the State Government, if such fee or amount exceeds the amount so prescribed.

CHAPTER VII

REGULATION OF TRADING

72. *Grant of licences.*—(1) Subject to the provisions of this Act and the rules made in this behalf, a market committee may, after making such inquiries as it deems fit,

grant or renew a licence for the use of any place in the market area for the sale of the notified agricultural produce or for operating therein as a trader, commission agent, broker, processor, weighman, measurer, surveyor, warehouseman or any other market functionary in relation to the marketing of agricultural produce; or may, after recording its reasons in writing therefor, refuse to grant or renew any such licence.

(2) Licences may be granted under sub-section (1), in such forms, for such periods on such terms and conditions and restrictions (including provision for prohibiting brokers and commission agents from acting in any transaction both as buyer or seller, or on behalf of both the buyer and seller, and also provision for prohibiting brokers from acting in any transaction, except between a trader and trader in respect of such agricultural produce as may be prescribed, for prescribing the qualifications and disqualifications of licensees, the circumstances in which licences may be refused, suspended or cancelled and prescribing the manner in which and the places at which auctions of agricultural produce shall be conducted and the delivery of agricultural produce shall be made in any market or market area) and on payment of fees not being in excess of such maxima, as may be prescribed.

(3) The market committee or its Chairman, if so authorised by the committee, may grant a temporary licence for a period of not more than one month to any trader not ordinarily resident in the market area to operate in the market yard or sub-yard on payment of such fee as may be fixed by the market committee subject to the condition that he shall not purchase any agricultural produce except by payment of the price in cash.

73. *Power to cancel or suspend licences.*—(1) Subject to the provisions of sub-section (4), a market committee may, for reasons to be recorded in writing, suspend or cancel a licence—

(a) if the licence has been obtained through wilful misrepresentation or fraud;

(b) if the holder thereof or any servant or any one acting on his behalf with his express or implied permission, commits a breach of any of the terms or conditions of the licence ;

(c) if the holder of the licence in combination with other holders of licences commits any act or abstains from carrying out his normal business in the market with the intention of wilfully obstructing, suspending or stopping the marketing of agricultural produce in the market area, in consequence whereof the marketing of any produce has been obstructed, suspended or stopped ;

(d) if the holder of the licence has become an insolvent ;

(e) if the holder of the licence incurs any disqualification as may be prescribed ; or

(f) if the holder is convicted of any offence under this Act.

(2) (a) Subject to the provisions of sub-section (4), the Chairman of a market committee may, for reasons to be recorded in writing, suspend a licence for a period of not more than one month for any reason for which a market committee may suspend a licence under sub-section (1).

(b) Subject to the provisions of sub-section (4), the Secretary of a market committee may, for reasons to be recorded in writing, suspend a licence for a period of not more than one week for any reason for which a market committee may suspend a licence under sub-section (1).

(3) Notwithstanding anything contained in sub-section (1), but subject to the provisions of sub-section (4), the Chief Marketing Officer may, for reasons to be recorded in writing, by order suspend or cancel any licence granted or renewed under this Chapter :

Provided that no order under this sub-section shall be made without notice to the market committee.

(4) No licence shall be suspended or cancelled under this section, unless the holder thereof has been given a

reasonable opportunity to show cause against such suspension or cancellation.

74. *Appeal*.—(1) Any person aggrieved by order—

(a) of the market committee refusing to grant or renew a licence, or cancelling a licence, or suspending any licence may, within thirty days from the date on which the order is communicated to him, appeal to the Chief Marketing Officer ;

(b) of the Chairman or Secretary suspending any licence may, within seven days from the date on which the order is communicated to him, appeal to the market committee ;

(c) of the Chief Marketing Officer cancelling or suspending a licence may, within thirty days from the date on which the order is communicated to him, appeal to the Co-operative Appellate Tribunal.

(2) The Chief Marketing Officer, the market committee or the Co-operative Appellate Tribunal, as the case may be shall, on such appeal, make such order as he or it deems just and proper.

75. *Payment of price*.—Subject to such deductions, if any, as are authorised to be deducted according to this Act or the rules or the bye-laws or under any other law for the time being in force, by way of—

(i) fees,
(ii) market charges,
(iii) taxes, and
(iv) the advances, if any, on the goods made and evidenced by authentic vouchers with interest, if any, due thereon,

the price of the goods sold in the yard and outside the market or the sub-market in the market area shall be paid to the seller by the buyer in cash immediately after the sale except in a case where a commission agent agrees in writing, in the form prescribed by the bye-laws, to give

delivery to the buyer on credit of a term which shall in no case exceed the maximum period of credit prescribed by the bye-laws.

76. *Sale of agricultural produce.*—The sale price of notified agricultural produce sold in the market area shall be determined either by tender system or by public auction or by open agreement or by sample or by reference to a known standard or in such other manner as may from time to time be directed, with the previous approval of the Chief Marketing Officer, by the market committee.

77. *Agreement of sale.*—Every licensed trader who buys notified agricultural produce shall at such time enter into a written agreement with the seller in such form as may be prescribed by the bye-laws. The agreement shall be executed in triplicate, of which one copy shall be retained by the buyer, one copy shall be retained by the seller and the third copy shall be submitted to the market committee for record.

78. *Commission agents' commission and responsibility.*—(1) No commission agent shall be entitled to charge commission to any person other than his principal, and such commission shall not exceed the rate prescribed in the bye-laws, which shall not be more than one and a half per cent of the price for which the agricultural produce of the principal is sold, for the services rendered to his principal including the facilities provided by the commission agent for the storage of the goods of the principal.

(2) Every commission agent shall be liable—

(a) to keep the goods of his principal in safe custody and adequately insured against fire without any charge other than the commission payable to him under sub-section (1); and

(b) to pay the principal, as soon as the goods are sold, the price thereof, irrespective of whether he has or has not received the price from the buyer of such goods.

79. *Prohibition of certain collections.*—(1) No market functionary shall solicit or receive remuneration for his services by way of commission, fees, charges or in any other form except as prescribed by the rules or bye-laws.

(2) No commission agent and no other market functionary shall solicit or receive, recover or collect market charges or fees or taxes from any person other than those permissible under this Act or the rules or bye-laws or under any other law for the time being in force.

(3) No market functionary shall solicit, receive, recover or collect any contribution in cash or in kind for any function, or for any religious, educational or charitable purpose from a producer or seller with whom he operates as a market functionary.

80. *No deductions in weight or payment other than those specified.*—(1) No market functionary and no other person shall make, give, allow, receive or recover any deductions in weight or payment or any other allowance in respect of any transaction relating to notified agricultural produce other than those provided in this Act, the rules or the bye-laws; and no civil court shall, in any suit or proceeding arising out of any such transaction, entertain or allow any claim for any deduction or allowance not so provided for.

(2) For the purpose of sub-section (1), the following deductions shall be deemed to be permissible deductions, namely :—

(i) deduction of the weight of the container where the price fixed according to the bye-laws or the standing orders of the market committee relates only to the goods contained in the container and either a separate price is fixed for the container or the container is to be retained by the seller or the container is made of such material and is of so negligible value that it is permitted to be delivered to the buyer without payment of any price in accordance with the bye-laws or the standing orders of the market committee;

(ii) deduction in weight on account of drriage of raw produce as shall be fixed by the bye-laws or standing orders of the market committee, where according to such bye-laws or the standing orders, the produce is required to be weighed and the weight recorded as soon as it is entrusted to the commission agent for sale and there is no likelihood of the produce being sold on the same day on which it is so entrusted ;

(iii) deduction in weight or price, on account of deviation from sample or known standard, made in accordance with the decision of the authority entrusted with settlement of disputes under this Act, where the purchase is made by sample or by reference to a known standard ;

(iv) deduction in weight or price, on account of the detection of adulteration not readily detectable on customary examination, made in accordance with the decision of the authority entrusted with settlement of disputes under this Act.

(3) The Chief Marketing Officer shall ensure that deductions under clause (i) of sub-section (2) are uniform in all the market areas in the State in respect of similar types of containers and that deductions under clause (ii) of sub-section (2) do not materially vary in markets located in areas with similar climatic conditions.

81. *Reports by market functionaries.*—Every licensed trader, commission agent, ginner, presser, processor, warehouseman, importer, exporter, stockist and any other market functionary operating in the market area shall maintain accounts in such manner and submit to the market committee or to the officer specified by the committee in this behalf such periodical reports and returns at such times and in such forms as may be prescribed by the rules or bye-laws or as the market committee may by standing orders from time to time direct.

82. *Assistance by the market functionaries.*—Every market functionary shall render such assistance in the collection and the prevention of the evasion of payment

of fees or other amounts due under this Act, the rules and the bye-laws, and in the prevention of the breach of the provisions of this Act, the rules and the bye-laws, as may be required by the market committee.

83. *Production of account books, etc., by market functionaries.*—(1) If any market functionary fails to send any report or return in accordance with the provisions of section 81, or if the committee considers it necessary to examine the account books relating to the business of any market functionary to satisfy itself about the correctness of any report or return submitted by him or for any other sufficient reason, the market committee may direct such functionary to produce before it or before any officer specified by it in this behalf, the account books and other relevant books and documents, for inspection, and to explain the contents thereof.

(2) If any market functionary fails, without sufficient cause to comply with the direction of the market committee under sub-section (1), the market committee may, without prejudice to any other action against such functionary, after such inquiry as may be prescribed, direct him to pay such amount as may be prescribed by the bye-laws as penalty to the committee.

84. *Provision for settlement of disputes.*—(1) For the purpose of settling disputes between producers, buyers and sellers, or their agents, including any disputes regarding the quality or weight of, or payment for, any agricultural produce, or any matter in relation to the regulation of marketing, of agricultural produce in the market area, the market committee of that area shall appoint a panel of arbitrators periodically consisting of agriculturists, traders and commission agents, and constitute a Disputes Committee from among its members in such manner as may be prescribed.

(2) Rules shall be made regulating the procedure for settlement of disputes, the authority or authorities for settling the disputes and appeals from the decisions of such

authorities, payment of fees by parties for settlement of disputes, by an arbitrator or arbitrators and all other matters connected with such settlement including the extent to which the provisions of the Arbitration Act, 1940, shall be applicable to arbitrations under this section.

(3) Subject to the rules made under sub-section (2), a market committee may make bye-laws regulating the details in respect of settlement of disputes relating to transactions in notified agricultural produce in the market area.

(4) Notwithstanding anything contained in any law, no suit or other legal proceeding shall be entertained by any court in respect of disputes referred to in sub-section (1), without the previous sanction of the market committee.

85. *Traders and security for trading.*—(1) Traders licensed to operate in a market area shall be classified into the following four categories, namely :—

(i) Traders entitled subject to the provisions of section 8, to purchase notified agricultural produce anywhere in the market area, called 'A' Class traders ;

(ii) Traders entitled to purchase notified agricultural produce only in the yard or yards in the market area, called 'B' Class traders ;

(iii) Traders entitled to purchase notified agricultural produce only outside the market or markets in the market area, called 'C' Class traders ;

(iv) Traders entitled subject to the provisions of section 8, to purchase notified agricultural produce anywhere in the market area for sale to consumers for domestic purposes, and whose total annual purchase turnover in such agricultural produce does not exceed fifteen thousand rupees, called 'D' Class traders.

(2) No trader shall buy or take delivery of any goods from any commission agent on credit and no trader's licence shall be granted to any person who intends to buy or take delivery of goods from commission agents on credit

unless he has deposited with or furnished to the market committee cash security or a bank guarantee of at least—

(i) one thousand and five hundred rupees if he is a 'A' Class trader ;

(ii) one thousand rupees if he is a 'B' Class trader;

(iii) five hundred rupees if he is a 'C' Class trader ;
and

(iv) one hundred rupees if he is a 'D' Class trader.

(3) No licensed trader shall buy or take delivery of goods from licensed commission agents in the market area so as to remain indebted to such agents on account of the purchases of goods to such an extent as the security or guarantee deposited or furnished by him falls short of such percentage as shall be provided in the bye-laws which shall not be less than one per cent of the aggregate amount of the indebtedness arising out of such credit purchases.

86. *Security by commission agents.*—(1) No person shall act as a commission agent and no commission agent's licence shall be granted to any person unless he has deposited with or furnished to the market committee cash security or a bank guarantee of at least five hundred rupees.

(2) No licensed commission agent shall remain indebted to his principals in respect of the sums payable to them as a result of the sale of their goods entrusted to such commission agent for sale, to such an extent as the security or guarantee deposited or furnished falls short of such percentage as shall be provided in the bye-laws which shall not be less than one per cent of the aggregate amount of the indebtedness arising out of such sales.

87. *Deposit of cash security in Bank.*—The cash security deposited by a trader or commission agent shall not form part of the Market Fund but shall be deposited by the market committee in such bank situated in the place where the office of the market committee is located, as the trader or commission agent may specify. The amount of security shall be deemed to have been enhanced to the

extent of the interest credited by the bank in respect of the security held in deposit.

88. *Charge on security and refund of security deposit*—(1) The security deposited or a bank guarantee furnished by a licensee under section 85 or 86 shall be liable to forfeiture by the market committee for any default made by the licensee in payment of any money payable by him to the market committee or to any other market functionary under this Act or the rules or bye-laws made thereunder.

(2). The security deposited or a bank guarantee furnished by a licensee under section 85 or 86 shall be subject to a first charge in favour of the market committee for all sums due to the committee by the licensee.

(3) (a) The security deposited or a bank guarantee furnished by a trader shall be subject to a second charge in favour of such of the commission agents as the trader shall be indebted to in respect of the credit purchases, for the total amount of such indebtedness.

(b) The security deposited or a bank guarantee furnished by a commission agent, shall be subject to a second charge in favour of such of the principals as the commission agent shall be indebted to in respect of the sales of their goods, for the total amount of such indebtedness.

(4) The bank guarantee furnished by the licensee under section 85 or 86 shall be unconditional and the amount guaranteed by the bank or part thereof as the market committee may demand shall be payable to the market committee on demand. No other kind of bank guarantee shall be accepted by the market committee under sections 85 and 86.

(5) Subject to the provisions of this Act and the rules and bye-laws, the cash security deposit made by any trader or commission agent with the market committee shall be refunded to him within twelve months from the date of his ceasing to be a licensee, if the market committee is satis-

fied that there are no liabilities due by the depositor either to the market committee or to any of the creditors who have a second charge on such deposit in respect of the transactions for which the security is deposited.

(6) The security amount deposited or bank guarantee furnished shall be deemed to be held in trust for the purposes for which it is made and shall not be used or utilised for any purpose of the market committee, nor shall it be liable to levy of attachment or execution by any court or other authority for any other purpose.

(7) The market committee may make bye-laws to carry out the purposes of sub-sections (1), (2), (3), (4) and (5).

89. *Power of committee and Chairman to impose penalties.*—(1) A market committee and its Chairman shall have the power by order to impose the penalties of censure and fine on any market functionary or producer for contravention of any bye-law, after giving the person concerned a reasonable opportunity to be heard :

Provided that the market committee shall not be competent to impose fine exceeding twenty-five rupees and the Chairman shall not be competent to impose fine exceeding five rupees.

(2) An appeal against an order under sub-section (1) shall lie to the Chief Marketing Officer or such officer subordinate to him as he may specify, within such period as may be prescribed.

CHAPTER VIII

THE MARKET FUND.

90. *Market Fund, its custody and investment.*—(1) Save as provided in sub-section (2), all moneys received by a market committee by way of market fees, licence fees or other fees or charges, all moneys realised by way of penalty, all loans raised by the committee, and all grants,

loans or contributions made by the State Government to the committee shall form part of a fund to be called the Market Fund.

(2) Save as otherwise provided in this Act, any money received by the market committee by way of arbitration fee or as security for costs in arbitration proceedings relating to disputes or any money received by the committee by way of security or contributory provident fund and such other moneys received by the committee as may be provided in the rules or bye-laws shall not form part of the Market Fund, and shall be kept in such manner as may be prescribed.

(3) Save as otherwise provided in this Act, the amount to the credit of the market fund and all other moneys received by the market committee shall be kept or invested—

(a) in a Co-operative District Central Bank approved by the Registrar of Co-operative Societies ; or

(b) in a Government Savings Bank ; or

(c) in a Scheduled Bank, where there is no bank specified in clause (a) or a branch thereof, at the town or village where the office of the market committee is located ; or

(d) in any of the Central or State Government securities with the previous approval of the Chief Marketing Officer.

91. *Contribution to the Consolidated Fund of the State:—*(1) The Chief Marketing Officer shall before the end of January in every year, estimate the probable expenditure likely to be incurred by the State Government during the ensuing financial year on account of—

(i) the salary and other allowances and the leave salary and pension contribution in respect of the services of the Government servants appointed or to be appointed as officers and servants under section 58 in respect of all the market committees in the State ; and

(ii) general elections and by-elections of the members of the market committees in the State.

He shall also on the basis of the receipts of the previous year estimate the probable gross receipts by way of market fees and licence fees of all the market committees in the State for the ensuing financial year for meeting such expenditure during the said financial year.

(2) Taking into consideration the estimates made under sub-section (1), the Chief Marketing Officer shall by order determine the uniform percentage of the gross receipts that every market committee shall have to contribute to the Consolidated Fund of the State during the ensuing financial year for meeting the expenses referred to in sub-section (1), and send a copy of the order to every market committee.

(3) Every market committee in the State shall pay to the State Government before the fifteenth of every month in such manner as may be prescribed, such percentage of its gross receipts during the preceding month by way of market fees and licence fees, as has been notified by the Chief Marketing Officer under sub-section (2), from the first day of April of the financial year in respect of which the percentage has been determined.

Explanation.—For purposes of this section and section 92, gross receipts in respect of market fees shall include the amount paid to the market committee under sub-section (3) of section 97 and gross receipts in respect of licence fees shall exclude the amounts paid to the Panchayats under sub-section (1) of section 98.

92. *Contribution to State Agricultural Marketing Board.*—Every market committee in the State shall pay to the State Agricultural Marketing Board before the fifteenth of every month, in such manner as may be prescribed, five per cent of its gross receipts during the previous calendar month, by way of market fees and licence fees.

93. *Purposes for which the market fund shall be expended.*—Subject to the provisions of sections 91 and 92

and the other provisions of this Act, the rules and the bye-laws, the market committee fund shall be expended for meeting the expenses relating to—

(i) the obligatory and discretionary duties and functions of the market committee under this Act ;

(ii) the pay, leave allowances, pensions, gratuities and provident fund of the officers and servants employed by it ;

(iii) the payment of interest on the loans, if any, raised by the market committee and the provision of sinking funds in respect of such loans ;

(iv) payment of honorarium, allowances and travelling allowances to the Chairman, Vice-Chairman and other members of market committee ;

(v) payment of fees and travelling allowances of arbitrators appointed under section 84 ; and

(vi) any other purpose within the scope of this Act as may be prescribed in the bye-laws.

94. *Honorarium and travelling allowances to the Chairman.*—(1) The market committee shall pay to the Chairman of the market committee an honorarium of not more than two hundred and fifty rupees per month, as the market committee may determine, provided that the amount payable during any market year being not more than five per cent of the gross receipts by way of market fees and licence fees during the preceding market year.

(2) The Chairman of a market committee shall be entitled to such travelling allowances as may be prescribed by the bye-laws :

Provided that a Chairman whose permanent residence is beyond ten kilometres from the place where the office of the market committee is located, shall not be entitled to travelling allowance for journeys from his residence to the office of the market committee on more than five occasions during a calendar month :

Provided also that a Chairman whose permanent residence is not beyond ten kilometres from the place where the office of the market committee is located shall not be entitled to travelling allowance for journeys from his residence to the office of the market committee.

(3) If the Chairman is absent from the market area with the leave of the market committee for purposes unconnected with the affairs of the market committee, the Chairman shall not be entitled to an honorarium for such period of absence, and the Vice-Chairman or any other member performing the functions of the Chairman during such period of leave shall be entitled to draw the honorarium for such period.

95. *Manner of preparing budget, etc.*—The manner in which any payment from the Market Fund shall be made, its accounts shall be kept and audited or re-audited (including powers to be exercised by the auditor in that behalf), its annual, revised or supplementary budget estimates of income and expenditure shall be made (including provision for modifying, annulling or rescinding such budgets) and its annual administration report shall be prepared, shall be prescribed by rules made in that behalf.

CHAPTER IX

SPECIAL COMMODITY MARKETS

96. *Establishment of independent markets and market committees for special commodities.*—(1) Where after such survey of an unregulated market of cattle, sheep, fish, fruits or any other special commodity notified by the State Government, in any area, the State Government is satisfied that on account of—

(i) the nature of assemblage or storage of such commodity ;

(ii) the problem of marketing such commodity ;

(iii) the technique and special features of trading in such commodity ; and

(iv) the incompatibility of combining the regulation of trade in such commodity with that of other agricultural produce,—

the existing market committee or committees functioning in such area is or are unable to or cannot possibly provide facilities for the regulated trading in such commodity, and that—

(a) there are facilities for organised trading in such commodity in such area ;

(b) the volume of trading in such commodity in such area is fairly large ;

(c) the benefits to the producers and the probable income to the market committee by separately regulating the trade in that commodity alone would be commensurate with the efforts involved in, and sufficient for discharging the duties and responsibilities of, such regulation ; and

(d) the trading in such commodity in such area can be efficiently regulated only if an independent market and a separate market committee for the purpose are established it may take the necessary steps for the establishment of an independent market and market committee for the purpose, in the manner provided in this Act, notwithstanding that such area falls within the jurisdiction of any market committee or committees already functioning and exercising regulation of marketing of any other commodity or commodities.

(2) When a separate market is established under this Chapter, the State Government may by notification declare that the provisions of this Act shall, with such modifications, as may be specified in the notification, apply in respect of such market.

(3) Subject to any modification notified under subsection (2), the provisions of this Act shall *mutatis mutandis* apply to the market areas and the market committees established in pursuance of the provisions of this Chapter.

CHAPTER X

PANCHAYATS AS AGENTS OF MARKET COMMITTEES

97. *Panchayats as agents of market committees.*---

(1) Subject to such rules as may be prescribed, a market committee may with the consent of any panchayat having jurisdiction within the market area, appoint such panchayat as the agent of the market committee, for exercising such powers, performing such duties inclusive of any of the powers and duties relating to the sub-markets and the sub-market yards of the market committee in the area of such panchayat, subject to such conditions, including the condition that the powers and duties entrusted by way of agency shall be subject to the control and supervision of the market committee and of the officer or officers generally or specially empowered by the market committee in that behalf, as may be prescribed by the bye-laws.

(2) The power entrusted to a panchayat under subsection (1) shall include the power to levy and collect market fees under section 65, and the goods in respect of which such fees are payable shall not be removed from the place of purchase unless the fees are paid to the panchayat.

(3) Such percentage not exceeding seventy-five per cent of the market fees collected by a panchayat as may be determined by the market committee taking into consideration the extent of powers and duties entrusted to the panchayat, shall be retained by the panchayat and credited to the Panchayat Fund, and the balance shall be paid to the market committee.

98. *Grants and loans to panchayats.*—(1) The market committee shall pay annually to every panchayat entrusted with powers and duties under section 97, a sum equal to seventy-five per cent of the licence fees collected from market functionaries operating exclusively in the area under the jurisdiction of such panchayat.

(2) A market committee may give initial financial assistance by way of loan without interest to a panchayat entrusted with powers and duties under section 97, repayable at such times and in such instalments as may be agreed upon between the market committee and the panchayat.

99. *Effect of entrustment of powers and functions to panchayats.*—Notwithstanding anything contained in the Mysore Village Panchayats and Local Boards Act, 1959, a panchayat shall be competent to exercise the powers and perform the duties entrusted to it under sub-section (1) of section 97, in such manner as may be prescribed.

CHAPTER XI

STATE AGRICULTURAL MARKETING BOARD

100. *State Agricultural Marketing Board.*—(1) With effect from such date as the State Government may by notification appoint in this behalf, there shall be established for the State of Mysore a Board called the Mysore State Agricultural Marketing Board.

(2) The Board shall be a body corporate having perpetual succession and a common seal and subject to such restrictions as are imposed by or under this Act or any other enactment, shall be vested with the capacity of suing or being sued in its corporate name, of acquiring, holding and disposing of, moveable or immoveable property, of entering into contracts, and of doing all things necessary, proper or expedient for the purposes for which it is constituted.

101. *Composition of the State Marketing Board.*—(1) The Board shall consist of the following members namely :—

(i) The Minister of the State in charge of agricultural produce marketing who shall be the *ex-officio* Chairman of the Board ;

(ii) One person from each revenue district of the State who shall be a Chairman of a market committee in the district elected in the prescribed manner by an electorate consisting of the Chairmen of all market committees in such district :

Provided that where in any revenue district there are only two market committees and both the Chairmen are contesting candidates for election from such district, the person to represent the market committees on the Board shall be decided by lot to be drawn by the Returning Officer :

Provided further that where in any revenue district there is only one market committee, the Chairman of such committee shall be the member of the Board.

(2) The Board shall elect a Vice-Chairman from among the elected members.

(3) The Chief Marketing Officer shall *ex-officio* be the Secretary of the Board.

102. *Publication of the names of the elected members of the Board.*—The Chief Marketing Officer shall publish in the prescribed manner the names of the members elected under clause (ii) of sub-section (1) of section 101.

103. *Determination of the validity of election.*—The provisions of sections 20 to 25 (both inclusive) shall *mutatis mutandis* be applicable for the determination of the validity of an election under clause (ii) of sub-section (1) of section 101, subject to the modification that the judicial officer empowered to determine the dispute shall be the District Judge having jurisdiction over the district concerned.

104. *Cessation of membership of elected members of the Board.*—A member elected under clause (ii) of sub-section (1) of section 101 shall cease to be a member of the Board if he ceases to be a member of the electorate of Chairmen of the market committees concerned.

105. *By-election.*—If the seat of any elected member becomes vacant on account of resignation or death or cessation of membership under section 104, the vacancy shall be filled up as soon as may be after the occurrence of such vacancy by the election of another person thereto.

106. *Term of office of the members of the Board.*—The elected members of the Board shall, save as otherwise provided in this Act, hold office for a period of four years.

107. *Powers and duties of the Chairman and Vice-Chairman.*—The powers and duties of the Chairman and the Vice-Chairman of the Board shall, in respect of the Board, as far as possible, be the same as are conferred and imposed on the Chairman and the Vice-Chairman of a market committee in respect of the market committees under sections 46 and 47 respectively.

108. *Conduct of business of the Board.*—The provisions of Chapter IV shall *mutatis mutandis* apply for the conduct of the business of the Board.

109. *Grants by State Government.*—The State Government shall for every calendar month make a grant to the Board of an amount equal to the aggregate amount paid to the Board by the market committees under section 92 during the preceding calendar month.

110. *Marketing Development Fund.*—(1) The amounts paid under sections 92 and 109 and all other receipts of the Board shall be credited to a fund called the Marketing Development Fund.

(2) All expenditure incurred by the Board shall be defrayed out of the said fund.

111. *Purposes for which the Marketing Development Fund shall be expended.*—The Marketing Development

Fund shall be utilised by the Board for the following purposes, namely :—

- (i) grading and standardisation of agricultural produce ;
- (ii) general improvement of the regulation of marketing in the State ;
- (iii) giving aid to financially weak market committees in the form of loans and grants ;
- (iv) acquisition or construction of buildings for performing the duties of the Board ;
- (v) payment of the pay, pensions, leave allowances, gratuities, compensation for injuries resulting from accidents, compassionate allowances, contributions towards leave allowances, pensions or provident fund of the officers and servants employed by the Board ;
- (vi) travelling and other allowances to the members of the Board ;
- (vii) propaganda and publicity on matters relating to regulated marketing of agricultural produce ;
- (viii) meeting any legal expenses incurred by the Board ;
- (ix) imparting education in regulated marketing of agricultural produce ;
- (x) training the officers and staff of the market committees in the State ; and
- (xi) any other purpose of general interest to regulated marketing of agricultural produce.

112. *Functions of the Board.*—(1) The Board shall as far as possible carry out the purposes specified in section 111.

(2) The Board shall be consulted on any proposal to take action under sections 4, 5, 6, 68, 96 and 127 and it shall be the duty of the Board to advise on any matter so referred to it, and on any other matter which the State Government may refer to it.

113. *Provisions of Act and Rules to apply to the Board.*—Save as provided in this Chapter, the provisions of this Act and the rules applicable to a market committee shall *mutatis mutandis* be applicable to the Board.

CHAPTER XII

PENALTIES

114. *Penalties for evasion of payment of fee, etc.*—Any person who fraudulently evades the payment of any fee, or other amount due from him under this Act or the rules, or the regulations or bye-laws, shall, on conviction, be punished with fine which may extend to five hundred rupees, and in the case of a continuing evasion with a further fine which may extend to one hundred rupees for every day during which the evasion is continued after conviction therefor.

115. *Liability of accused to pay fee, cess, or other amount.*—Every person who is prosecuted for an offence under section 114 shall be liable, on proof to the satisfaction of the Magistrate that he wilfully omitted to pay the fee or other amount due from him under this Act or the rules or the regulations or bye-laws, to pay to the market committee the amount which may be due from him on account of such fee or other amount.

116. *Power of Magistrate to recover summarily fee, or other amount.*—Whenever any person is convicted of an offence under this Act or the rules or the regulations or bye-laws made thereunder, the Magistrate shall, in addition to any fine which may be imposed, recover summarily and pay over to the market committee, or the Board, as the case may be, the amount of fee or other amount due from him under this Act or the rules or the regulations or bye-laws and may, in his discretion, also recover summarily and pay over to the market committee or to the Board such amount, if any, as he may fix as the costs of the prosecution.

117. *Penalty for contravention of section 8.*—Whoever in contravention of the provisions of clause (b) of subsection (1) of section 8 uses any place in the market area for marketing any agricultural produce, or operates as a trader, commission agent, broker, processor, warehouseman or in any other capacity, without a valid licence, shall, on

conviction, be punished with imprisonment for a term which may extend to six months or with fine which may extend to five hundred rupees or with both, and in the case of a continuing contravention with a further fine which may extend to fifty rupees per day during which the contravention is continued after the first conviction.

118. *Penalty for contravention of section 79 or 80.*—Whoever contravenes any of the provisions of section 79 or 80 shall, on conviction, be punished with imprisonment for a term which may extend to three months or with fine which may extend to five hundred rupees or with both.

119. *Penalty for failure to obey order under section 123.*—Whoever obstructs any officer in carrying out the inspection of accounts or holding an inquiry into the affairs of a market committee or fails to obey any order made under clauses (a), (c), (d) or (e) of section 123 shall, on conviction, be punished with fine which may extend to two hundred rupees for every day during which the offence continues.

120. *Penalty for contravening the provisions of section 123 or 124.*—If any officer, servant or member of a market committee, when required to furnish information in regard to the affairs or proceedings of a market committee under section 123 or 124,—

(a) wilfully neglects or refuses to furnish any information, or

(b) wilfully furnishes false information, he shall, on conviction, be punished with fine which may extend to five hundred rupees.

121. *Penalty for contravention of section 125.*—Whoever in contravention of the provisions of section 125 obstructs any person in seizing or taking possession of any books, records, funds and property of the market committee or fails to give delivery thereof to such person, shall, on conviction, be punished with imprisonment which may extend to three months or with fine which may extend to five hundred rupees or with both.

122. *General provisions for punishment of offences.*—Whoever contravenes any provision of this Act or any rule, or regulation thereunder shall, if no other penalty is provided for the offence, be punished with fine which may extend to two hundred rupees.

CHAPTER XIII

CONTROL

123. *Inspection, inquiry, submission of statements, etc.*—The Chief Marketing Officer or any officer authorised by him by general or special order in this behalf, may—

(a) inspect or cause to be inspected the accounts and offices of a market committee ;

(b) hold inquiry into the affairs of a market committee ;

(c) call for any return, statement, accounts or report which he may think fit to require such committee to furnish ;

(d) require a committee to take into consideration—

(i) any objection on the ground of illegality or inexpediency or impropriety which appears to him to exist to the doing of anything which is about to be done or is being done by or on behalf of such committee ; or

(ii) any information he is able to furnish and which appears to him to necessitate the doing of a certain thing by such committee ;

and to make a written reply to him within a reasonable time stating its reasons for doing, or not doing such thing ;

(e) direct that any thing which is about to be done or is being done should not be done, pending consideration of the reply, and anything which should be done but is not being done should be done within such time as he may direct.

124. *Duty of officers and members to furnish information to Chief Marketing Officer, authorised officers and State Government.*—(1) When the affairs of a market committee are investigated under section 123 or the proceedings of such committee are examined under section 126, all officers, servants and members of such committee shall furnish such information in their possession in regard to the affairs or proceedings of the committee as the Chief Marketing Officer, officer authorised or, as the case may be, the State Government, may require.

(2) An officer investigating the affairs of a market committee under section 123 or the State Government examining the proceedings of such committee under section 126 shall have the power to summon and enforce the attendance of officers or members of the market committee and to compel them to give evidence and to produce documents by the same means and as far as possible in the same manner as is provided in the case of a civil court by the Code of Civil Procedure, 1908.

125. *Seizure of account books and other documents.*—Where the Chief Marketing Officer has reason to believe that the books and records of a market committee are likely to be tampered with or destroyed or the funds or property of a market committee are likely to be misappropriated or misapplied, the Chief Marketing Officer may issue an order directing a person duly authorised by him in writing to seize and take possession of such books and records, funds, and property of the market committee, and the officer or officers of the market committee responsible for the custody of such books, records, funds and property, shall give delivery thereof to the person so authorised.

126. *Power of State Government to call for proceedings of market committee and to pass order thereon.*—The State Government may at any time call for and examine the proceedings of any market committee for the purpose of satisfying itself as to the legality or propriety of any proceeding or decision taken or order passed by the market

committee. If in any case, it appears to the State Government that any decision or order passed or proceeding taken, should be modified, annulled, or reversed, the State Government may pass such order thereon as it thinks fit :

Provided that no such order shall be passed by the State Government without giving a reasonable opportunity of being heard to the market committee and to the parties affected.

127. *Supersession of market committee.*—(1) If, in the opinion of the State Government, a market committee is not competent to perform or persistently makes default in performing the duties imposed on it by or under this Act, or abuses its powers, or wilfully disregards any orders issued by the State Government or any officer duly authorised by it in this behalf arising out of audit of accounts of the market committee or inspection of the office and work thereof, the State Government may, after giving the committee an opportunity of rendering an explanation, by notification, with reasons therefor, supersede such market committee for such period as may be specified in the notification.

(2) When a market committee is superseded by notification under sub-section (1), the following consequences shall ensue :—

(i) all the members of the market committee shall, on such date as may be specified in the notification be deemed to have vacated their offices ;

(ii) during the period of supersession of the market committee, all powers and duties conferred and imposed on the market committee by or under this Act or any other law shall be exercised and performed by such officer as the State Government may from time to time appoint in that behalf ;

(iii) all property vested in the market committee shall, until it is reconstituted, vest in the State Government

(3) If, after inquiry made, the State Government so directs, by notification, then, notwithstanding the term of the members of the superseded market committee, the period of supersession with all the consequences aforesaid shall from time to time, be continued until such date as may be fixed by the State Government for reconstitution of the market committee.

128. *Liability of members, officers and employees of market committee for loss, waste, misappropriation, etc.—*
 (1) If, in the course of an inquiry or an inspection under section 123 or in the course of an audit under the rules, it is found that any person who is or was a member of a market committee or of the Board or who is or has at any time been an officer or an employee of a market committee or Board has made any payment contrary to this Act, the rules, the regulations or the bye-laws, or has caused any deficiency in the assets of the market committee or Board by breach of trust or wilful negligence or has misappropriated or fraudulently retained any money or other property belonging to the said market committee or the Board, the Chief Marketing Officer may himself inquire or direct any subordinate officer authorised by him, by an order in writing in this behalf, to inquire into the conduct of such person.

(2) Where an inquiry is made under sub-section (1), the Chief Marketing Officer may, after giving the person concerned an opportunity of being heard, make an order requiring him to repay or restore the money or property or any part thereof, with interest at such rate, to pay contribution and costs or compensation to such extent, as the Chief Marketing Officer may consider to be just and equitable.

(3) Any person aggrieved by an order of Chief Marketing Officer under sub-section (2) may, within sixty days from the date of the communication of the said order, appeal to the Co-operative Appellate Tribunal, and the decision of the Co-operative Appellate Tribunal on such appeal shall be final and shall not be called in question in any court of law.

(4) Any action under this section shall be without prejudice to the prosecution of the person concerned in respect of any offence.

129. *Liability of Chairman, Vice-Chairman and members for removal from office.*—(1) Every Chairman and Vice-Chairman shall, after an opportunity is afforded for hearing him, be removable from his office as such Chairman or Vice-Chairman by the State Government for misconduct in the discharge of his duties or for neglect of or incapacity to perform his duties, or for being persistently remiss in the discharge of his duties, and a Chairman or Vice-Chairman so removed who does not cease to be a member under clause (b) of sub-section (2), shall not be eligible for re-election as Chairman or Vice-Chairman during the remainder of his term of office as member of the market committee.

(2) (a) The State Government may, if it thinks fit, on the recommendation of the market committee, remove any member of the market committee after giving him an opportunity of being heard and after such enquiry as it deems necessary, if such member is in the opinion of the State Government, been guilty of misconduct in the discharge of his duties, or of any disgraceful conduct, or has become incapable of performing his duties as a member or does anything against the interests of the market committee ;

(b) When under sub-section (1) any person is removed from office of the Chairman or Vice-Chairman for misconduct in the discharge of his duties, he shall, from the date of such removal cease to be a member and shall be deemed to be removed from the membership of the market committee under this sub-section.

130. *Administrator to exercise powers and perform duties of market committees not validly constituted or in the working of which a deadlock is created.*—(1) Notwithstanding anything contained in this Act, or the rules, if at any time it shall appear to the State Government, that on

account of a decision or order of a competent court, a market committee has not been validly constituted under this Act or that it is disabled from functioning or that the number of seats required to be filled by election under sub-section (2) of section 39 is not filled, or on any other account, the Government may by notification, cause all or any powers and duties of the market committee and its Chairman to be exercised and performed by such officer in such manner and for such period and subject to such conditions as it may, by notification, direct.

(2) All the powers and the duties of the market committee exercised and performed *bona fide* till the date of the notification referred to in sub-section (1), by the persons who constituted such market committee shall be deemed to have been validly exercised and performed by the said persons; and no acts done by the said persons shall be deemed to be invalid or called in question on the ground merely that they were not members of a validly constituted market committee.

131. *Recovery of sums due to Government from market committee or Board.*—Every sum due from a market committee or the Board to the State Government shall be paid by the person in charge of the fund of the market committee or Board on receipt of a requisition from the Chief Marketing Officer or the State Government.

CHAPTER XIV

MISCELLANEOUS.

132. *Recovery of sums due to market committee or Board.*—(1) Any sum due to a market committee or the Board on account of any charge, costs, expenses, fees, rent or on any other account under the provisions of this Act or any rule, regulation or bye-law made thereunder shall be recoverable from the person from whom such sum is due, in the same manner as an arrear of land revenue.

(2) If any question arises whether a sum is due to the market committee or the Board within the meaning of subsection (1), it shall be referred to the Chief Marketing Officer or an officer subordinate to him authorised by him, and the Chief Marketing Officer or the authorised officer shall after making such enquiry as he deems fit, and after giving to the person from whom the sum is alleged to be due an opportunity of being heard, decide the question; and his decision shall be final and shall not be called in question in any court or before any other authority.

133. *Power to exempt certain class of co-operative societies from the provisions of Act.*—The State Government may, by notification, exempt any class of co-operative societies of which all the members are either agriculturists or the primary producers of any notified agricultural produce from any of the provisions of this Act or the rules or the bye-laws subject to such conditions and restrictions as may be specified in such notification.

134. *Provisions of Act not to apply to Central and State Governments.*—The provisions of this Act shall not apply to any sales or purchases made directly by the Central Government or the State Government.

135. *Proof of entries in market committee's or Board's registers, etc.*—(1) A copy of any entry in any book, register or list regularly kept in the course of its business by a market committee or the Board shall, if duly certified in such manner as may be prescribed, be received in any suit or other legal proceeding as *prima facie* evidence of the existence of such entry, and shall be admitted as evidence of the matters, transactions and accounts therein recorded in every case where, and to the same extent to which, the original entry would, if produced, have been admissible to prove such matters, transactions or accounts.

(2) No officer of a market committee or the Board shall, in any legal proceeding to which the committee or the Board is not a party, be compelled to produce any of the

committee's or Board's books, the contents of which can be proved under sub-section (1), or to appear as a witness to prove the matters, transactions or accounts therein recorded, unless by order of the court or other authority made for special cause.

(3) (a) On the application of any party to a legal proceeding, the court or other authority may order that such party may inspect and take copies of any entries in a market committee's or Board's book for any of the purposes of such proceeding, or may order the committee or the Board, as the case may be, to prepare and produce, within a time to be specified in the order, certified copies of all such entries accompanied by a further certificate that no other entries are to be found in the books of the committee or Board relevant to the matters in issue in such proceeding and such further certificate shall be dated and subscribed in the manner prescribed for certified copies under sub-section (1).

(b) An order under this sub-section or sub-section (2), may be made either with or without summoning the committee or Board, and shall be served on the committee or the Board three clear days exclusive of public holidays before the same is to be complied with, unless the court or other authority shall otherwise direct.

(c) The committee or the Board may at any time before the time specified for compliance of any such order either offer to produce its books at the trial or give notice of its intention to show cause against such order, and thereupon the same shall not be enforced without further orders.

136. *Chairman, Vice-Chairman, members, officers and servants of market committee or Board to be public servants.*—The Chairman, the Vice-Chairman, the members, the officers and other servants of a market committee and the Vice-Chairman, the members, the officers and other servants of the Board shall be deemed to be public servants within the meaning of section 21 of the Indian Penal Code and the Prevention of Corruption Act, 1947, for the time being in force.

137. *Bar of suit or other legal proceeding in absence of notice.*—No suit or other legal proceeding shall be instituted against any market committee or the Board or any member, officer or servant thereof or any person acting under the direction of any such market committee, Board, member, officer or servant for anything done or purporting to be done in good faith as such member, officer, servant or person under this Act, until the expiration of two months next after notice in writing, stating the cause of action, the name and place of abode of the intending plaintiff and the relief which he claims has been in the case of a market committee or the Board delivered or left at its office, and in the case of such member, officer, servant or person as aforesaid delivered to him or left at his office or usual place of abode, and the plaint shall contain a statement that such notice has been so delivered or left :

Provided that nothing in this section shall be applicable to any suit or other legal proceeding by the State Government, the Chief Marketing Officer, the market committee or the Board against any member, officer, servant or other person.

138. *Powers and duties of Police Officer.*—(1) Any police officer may arrest any person committing in his view any offence against any provision of this Act or any rule or bye-law, if the name and address of such person be unknown to him and the person declines to give his name and address on demand, or gives a name and address the accuracy of which such officer has reason to doubt ; and such person may be detained at the police station until his correct name and address has been ascertained.

(2) It shall be the duty of every police officer to communicate as soon as may be, to the market committee any information which he receives regarding any attempt to commit or the commission of any offence against this Act or any rule or bye-law made thereunder, and to assist the Secretary or any officer or servant of the market committee reasonably demanding his aid in the exercise of his lawful authority.

139. *Duty of local authorities to give information and assistance.*—(1) It shall be the duty of every local authority to give all the necessary information in the possession of or under the control of its officers to the market committee or its officers authorised in that behalf, relating to the import and export of notified agricultural produce into and out of the area of the local authority, free of any charges.

(2) It shall be also the duty of every local authority and its officers and staff concerned with the collection of octroi to give all the possible assistance to any officer of the market committee in exercising his powers and discharging his duties under sections 66 and 67.

140. *Delegation of powers of State Government and Chief Marketing Officer.*—(1) The State Government may by notification direct that any of the powers conferred on it by or under this Act, other than those conferred by sections 1, 2, 3, 4, 5, 10, 18, 38, 62, 68, 69, 96, 100, 126, 127, 130, 133, 143, 144, 145, 146 and 152 may subject to such restrictions and conditions as may be specified in such notification, be exercisable also by such officers of the State Government as shall be specified in such notification.

(2) The State Government may by notification direct that any of the powers conferred on the Chief Marketing Officer by or under this Act, other than those conferred by sections 6, 7, 9, 11, 60, 91, 149 and 150 may subject to such restrictions and conditions as may be specified in such notification, be exercisable also by such of his subordinate officers as may be specified in such notification.

141. *Protection to persons acting in good faith.*—No suit, prosecution or other legal proceeding shall be instituted against any person for anything done or intended to be done in good faith under this Act, or the rules, regulations, or the bye-laws.

142. *Effect of mere alteration of limits of market area.*—Where a notification is issued under section 5, excluding any area from any market area and such excluded area

is not declared to be a separate market area or a notification is issued under section 5, including any area within a market area, the market committee constituted for such market area before the date of such exclusion or inclusion shall, notwithstanding anything contained in this Act, continue to be the market committee for the said market area until the reconstitution of such market committee under this Act.

143. *Denotification of a market area and its consequences.*—(1) Subject to the procedure specified in sections 3 and 4, the State Government may by notification declare that a market area shall from a date to be specified in the notification, cease to be a market area.

(2) When any area ceases to be a market area under sub-section (1), the market committee constituted therefor shall cease to exist, and the property and rights vested in any such market committee shall subject to all charges and liabilities affecting the same, vest in the State Government

(3) Where any such area is included in two or more other market areas, the State Government shall, by order, direct that such property, rights, charges and liabilities shall vest in the market committees of such areas in such manner and in such proportions as may be specified in such order.

144. *Amalgamation of market committees.*—Where the State Government is satisfied that for securing efficient regulation of marketing of any agricultural produce in any market area, it is necessary that two or more market committees therein should be amalgamated, then the State Government may, after consulting the market committees concerned provide for the amalgamation of such market committees into a single market committee for the market area in respect of the agricultural produce specified in the notification, with such constitution, property, rights, interests and authorities and such liabilities, duties and obligations (including provision in respect of contracts, assets, employees, proceedings, and such incidental, consequential and supple-

mentary matters as may be necessary to give effect to such amalgamation) as may be specified in the notification.

145. *Division of market area into two or more separate market areas.*—(1) Subject to the procedure specified in sections 3 and 4, the State Government may divide a market area into two or more separate market areas.

(2) When during the term of a market committee the market area for which it is established is divided into two or more separate market areas, the following consequences shall ensue:—

(a) the market committee constituted for the market area under this Act shall be deemed to have been dissolved, and the State Government shall constitute separate market committees under section 10 for each of the separate market areas subject to such conditions as may be prescribed, and the Chief Marketing Officer shall also simultaneously declare a specified area and a specified place as the market and the market yard for each of the new market areas;

(b) the term of office of the newly constituted committees shall be the same as is applicable to the first market committee under sub-section (3) of section 10;

(c) the assets, rights and liabilities of the dissolved market committee shall be distributed by the State Government between the new market committees in accordance with such rules as may be prescribed;

(d) any appointment, notification, notice, fee, order, scheme, licence, permission, bye-law or form, made, issued or imposed by the market committee which has been dissolved, in respect of any part of the area subject to the authority of the new market committees shall be deemed to have been made, issued or imposed by such market committee concerned unless and until it is superseded by any notification, notice, fee, order, scheme, licence, permission, rule, bye-law or form made, issued or imposed by it

(3) If any difficulty arises in giving effect to the provisions of this section, the State Government may by order published in the official Gazette, as the occasion may require, do anything which appears to it to be necessary to remove the difficulty.

146. Rules.—(1) The State Government may for the whole of the State or for any class of market committees by notification and after previous publication, make rules for carrying into effect the purposes of this Act.

(2) In particular, and without prejudice to the generality of the foregoing provision, such rules may provide for,—

(a) the preparation and revision of the list of voters, the division of the market area into constituencies, the election or nomination of members of the market committee, the payment of deposits and their forfeiture, the manner of holding elections, the drawing up of the election programme, the fixing of polling stations, the appointment of returning officers, presiding officers and polling officers and all matters ancillary to such elections ;

(b) the election of the Chairman and the Vice-Chairman of the market committee ;

(c) the filling up of casual vacancies in the office of the Chairman, the Vice-Chairman or member of the market committee ;

(d) the forms in which returns shall be submitted by the market committee to the Chief Marketing Officer and such other officers as may be authorised by the Chief Marketing Officer ;

(e) the persons by whom and the form in which copies of documents, and entries in the books of a market committee or the Board may be certified and the charges to be levied for the supply of such copies ;

(f) the manner in which the inquiry and inspection of the market committee shall be held ;

(g) the restrictions and conditions subject to which a market committee or the Board may incur any expenditure ;

(h) the restrictions and conditions subject to which a market committee or the Board may enter into contracts ;

(i) the circumstances in which any commodity shall deemed to be adulterated ;

(j) the fees payable in respect of appeals under this Act or the rules and the fees payable in respect of any other matter ;

(k) the preparation of plans and estimates for works proposed to be constructed at the expense of a market committee or the Board and the grant of sanction to such plans and estimates ;

(l) the form in which the accounts of a market committee or the Board shall be kept, the audit, inspection and publication of such accounts, the charges, if any, to be made for such audit and inspection, audit memoranda of the accounts and supply of copies of such memoranda ;

(m) the preparation and submission for sanction of the annual budget and the report and returns of a market committee or the Board ;

(n) the investment and disposal of surplus funds of a market committee or the Board ;

(o) any other matter for which there is no provision in this Act (including prescribing appellate authorities, periods within which appeals or revision petitions have to be filed), and for which provision is, in the opinion of the State Government, necessary for giving effect to the purposes of this Act.

(3) A rule under this Act may be made with retrospective effect and when such a rule is made, the reasons for making the rule shall be specified in a statement laid before both Houses of the State Legislature. Subject to

any modification made under section 149, every rule made under this Act shall have effect as if enacted in this Act.

147. *Regulations.*—Subject to the provisions of this Act and the rules, the Board may, by notification, and with the previous approval of the State Government, make regulations in relation to the carrying into effect the functions entrusted to the Board under this Act.

148. *Bye-laws.*—(1) Subject to the provisions of this Act and the rules made under section 146 and with the previous sanction of the Chief Marketing Officer, a market committee may after previous publication in the prescribed manner, make bye-laws for the regulation of the business and the conditions of trading in the market area. Every bye-law made under this section shall be published in the prescribed manner.

(2) In particular and without prejudice to the generality of the foregoing provision, the bye-laws may provide for,—

- (i) the regulation of business of the market committee ;
- (ii) the regulation of the business of the sub-committees of the market committee ;
- (iii) the conditions of delegation of powers, functions and duties of the market committee to sub-committees ;
- (iv) the appointment and conditions of service of the officers and servants of the market committee ;
- (v) the assignment of powers, functions and duties to the officers and servants of the market committee ;
- (vi) the procedure for the granting, renewal, refusal, suspension or cancellation of licences under this Act and the circumstances in which any suspension or cancellation of a licence may be annulled by the market committee ;

- (vii) the conditions for trading or operating in any capacity as a market functionary within the market area ;
- (viii) the control and regulation of the dealings between sellers and purchasers ;
- (ix) the enforcement of the weighment of notified agricultural produce in due time ;
- (x) the enforcement of issue of immediate receipt to the producer in respect of the produce entrusted by the producer to the commission agent for sale ;
- (xi) the procedure of sales of notified agricultural produce in the yards and outside the market and sub-market in the market area ;
- (xii) the sales of notified agricultural produce in the yards under the direct supervision of the staff of the market committee ;
- (xiii) the execution of agreement of sale soon after the sale is agreed upon ;
- (xiv) the taking of delivery of goods soon after the agreement of sale is effected ;
- (xv) the payment of the price of the produce by the purchaser to the seller at the time of taking delivery of goods in all cases of direct purchases made from the producer without the assistance of a commission agent ;
- (xvi) the fixing of the maximum period of credit permissible to the purchaser from the commission agent from the date of the agreement of sale ;
- (xvii) the enforcement of prompt payment by the commission agent to his principal soon after delivery of the goods is given to the purchaser ;
- (xviii) the enforcement of payment of the price of goods by the purchaser to the commission agent as and when it falls due in accordance

with the terms of credit where the commission agent has allowed credit before the expiry of the maximum term of credit permissible under the bye-laws ;

- (xix) the procedure to be adopted where any licensed trader or commission agent suspends payment or becomes insolvent or is otherwise unable or refuses or neglects to discharge his liabilities and obligations in relation to transactions in the yards and outside the market or sub-market in the market area, and the rights, duties and liabilities of such trader or commission agent and those with whom he had such transactions and the manner in which and terms upon which they are to be closed or passed on ;
- (xx) the enforcement of the submission of returns, reports and statements from the market functionaries to the market committee ;
- (xxi) the enforcement of the production of the account books and any other books, files or documents of the market functionaries for inspection ;
- (xxii) the prevention of the adulteration of goods ;
- (xxiii) the licence fees payable in respect of licences issued to the different classes of market functionaries ;
- (xxiv) the fixing of the percentage of the security amount to be deposited or the amount of bank guarantee to be furnished by the commission agents and by the different categories of traders, under sections 85 and 86 ;
- (xxv) the travelling allowances and daily allowances of the members of the market committee ;
- (xxvi) the circumstances in which a warning may be given or a penalty may be imposed by the market committee on the market functionaries or other persons for breach of bye-laws

- and the procedure to be followed for the purpose ;
- (xxvii) the procedure for entry and inspection of places of business and other places, under section 66 ;
 - (xxviii) the assistance to be rendered to a producer by way of preparing invoices and bills when he sells his goods directly to a purchaser without the assistance of a commission agent ;
 - (xxix) the regulation of the admission of the market functionaries into the yard and control over the behaviour of such functionaries ;
 - (xxx) the form of application for licence, the qualifications and disqualifications for securing the renewal of the different kinds of licences the procedure for the inquiry about and verifying the correctness of the statements made in the applications for licences ;
 - (xxxi) the opening and closing of marketing in the yards ;
 - (xxxii) the books, registers and documents to be kept and maintained, and the compilation of statements to be prepared from the returns received from the market functionaries and the registers, books and documents to be kept and maintained by the market functionaries ;
 - (xxxiii) any other matter in respect of which bye-laws are required to be or may be made under this Act.

(3) Any bye-law made under this section may provide that any contravention thereof shall, on conviction, be punished with fine which may extend to two hundred rupees.

(4) Where any bye-law is submitted to the Chief Marketing Officer for sanction under sub-section (1), and if the Chief Marketing Officer is satisfied—

(a) that the proposed bye-law is not contrary to the provisions of this Act or the rules ;

(b) that it complies with the requirements of sound administration ;

he may sanction the bye-law.

(5) When the Chief Marketing Officer refuses to sanction any amendment or bye-law, he shall communicate his order with the reasons therefor, to the market committee :

Provided that no such order shall be made without giving the market committee a reasonable opportunity of being heard.

(6) A market committee aggrieved by an order of the Chief Marketing Officer under sub-section (5), may within ninety days from the date on which the order of refusal to sanction is received by the market committee, appeal to the State Government. The decision of the State Government on such appeal shall be final and shall not be called in question in any court of law.

149. *First bye-laws on the establishment of markets.*—(1) As soon as may be, after the Chairman is nominated for the first market committee of a market area, the Chief Marketing Officer shall, in consultation with the said Chairman, and taking into consideration the local conditions make the first bye-laws for the market area in accordance with the provisions of this Act and the rules. The first bye-laws so made shall, notwithstanding anything contained in this Act, be deemed to be the bye-laws made by the market committee until superseded or amended by any bye-law made under section 148.

(2) The first bye-laws shall be published in such manner as may be prescribed.

150. *Chief Marketing Officer's power to direct the making or amendment of bye-laws.*—(1) If it appears to the Chief Marketing Officer that it is necessary or desirable in the interests of a market or market committee to make any bye-law or to amend any bye-law, he may by order require the market committee concerned to make the bye-law or the amendment of the bye-law within such time as he may specify in such order.

(2) If the market committee fails to make such bye-law or such amendment of the bye-law and forward the same to the Chief Marketing Officer for sanction in accordance with the provisions of section 148 within the time specified in such order, the Chief Marketing Officer may, after giving the market committee and any other person interested in the matter a reasonable opportunity of being heard, by order make such bye-law or such amendment of the bye-law, and thereupon, subject to any order under sub-section (3), such bye-law or such amendment of the bye-law shall be deemed to have been made or amended by the market committee in accordance with the provisions of this Act, Every order made by the Chief Marketing Officer under this sub-section shall be published in the official Gazette.

(3) An appeal shall lie to the State Government from any order of the Chief Marketing Officer under sub-section (2) within sixty days from the date of publication of such order and the order of the State Government on such appeal shall be final.

151. *Power to make standing Orders.*—(1) Subject to the provisions of this Act and the rules and bye-laws made thereunder, every market committee may by resolution make Standing Orders for the regulation of any class of transactions or any class of market functionaries.

(2) Every Standing Order made under sub-section (1) shall be published in such manner as may be prescribed.

152. *Orders for bringing this Act into force.*—(1) Notwithstanding anything contained in this Act or in any other law for the time being in force, the State Government may by order published in the official Gazette make such provisions as appears to it to be necessary or expedient—

(a) for bringing the provisions of this Act into effective operation ;

(b) for removing difficulties arising in connection with the transition to the provisions of this Act or giving effect to the provisions of this Act ;

(c) so far as it appears necessary or expedient in connection with any of the matters aforesaid for varying the powers or jurisdiction of any court or authority and empowering new courts or other authorities to exercise such jurisdiction as may be specified in such order.

(2) The provisions made by any order under subsection (1) shall, subject to the provisions of section 149, have effect as if enacted in this Act, and any such order may be made so as to be retrospective to any date not earlier than the date of commencement of this Act :

Provided that no person shall be deemed to be guilty of an offence by reason of so much of any such order as makes any provision thereof retrospective to any date before the making thereof.

153. *Rules and notification to be laid before Legislature.*—Every rule made under this Act and every order issued under section 152 shall be laid as soon as may be after it is made, before each House of the State Legislature while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session in which it is so laid or the sessions immediately following, both Houses agree that the rule or order should not be made, the rule or order shall thereafter have effect, only in such modified form or be of no effect, as the case may be ; so however that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule or order.

154. *Repeal and savings.*—(1) The Madras Commercial Crops Markets Act, 1933 (Madras Act XX of 1933), as in force in Bellary District, the Madras Commercial Crops Markets Act, 1933 (Madras Act XX of 1933), as in force in the Madras Area, the Bombay Agricultural Produce Markets Act, 1939 (Bombay Act XXII of 1939), as in force in the Bombay Area, the Hyderabad Agricultural Market Act, 1339F (Hyderabad Act II of 1339 Fasli), as

in force in the Hyderabad Area, the Mysore Agricultural Produce Markets Act, 1939 (Mysore Act XVI of 1939), as in force in the Mysore Area and the Coorg Agricultural Produce Markets Act, 1956 (Coorg Act VII of 1956), as in force in the Coorg District, are hereby repealed :

Provided that,—

(a) the repeal shall not affect the previous operation of any enactment so repealed, and anything done or action taken (including any appointment, delegation or declaration made, notification, order, rule, direction or notice issued, bye-law framed, market areas, markets, sub-markets and yards declared, established or notified, licences granted, fees levied and collected, instruments executed, any fund established or constituted) by or under the provisions of any such enactment shall, in so far as it is not inconsistent with the provisions of this Act, be deemed to have been done or taken under the corresponding provisions of this Act, and shall continue in force unless and until superseded by anything done or any action taken under this Act ;

(b) the mention of particular matters in the preceding proviso shall not affect the general application to this Act of section 6 of the Mysore General Clauses Act, 1899 (Mysore Act 3 of 1899) in respect of the repealed enactments, and sections 8 and 24 of the said Act shall be applicable as if the said enactments had been repealed and re-enacted by this Act ;

(c) all market committees constituted, members of such committees appointed or elected and Chairmen and Vice-Chairmen, elected or appointed under the repealed enactments shall exercise the powers conferred, perform the functions, and be subject to the liabilities imposed by the provisions of this Act and the rules made thereunder on market committees members of such committees, Chairmen and Vice-Chairmen, respectively, until the market committees are constituted under the provisions of this Act, and on the date of the first meeting of any market committee

after such constitution under this Act, the market committee constituted under the repealed enactments shall be deemed to have been dissolved ;

(d) casual vacancies in the seats of members or market committees or in the office of Chairmen or Vice-Chairmen of market committees functioning under the preceding proviso shall, until the market committees are constituted under the provisions of this Act, be filled and all matters in connection with the filling of such vacancies shall be regulated in accordance with the provisions governing the filling up of such vacancies and regulating such matters as were in force immediately before the date of coming into force of this Act :

Provided further that notwithstanding anything contained in any enactment repealed by this section or any rule or order made thereunder, or anything in the preceding proviso, in respect of every market area or market declared or notified under any such enactment, a market committee shall be constituted under the provisions of this Act, before such date as the State Government may by notification appoint in respect of the market area or market concerned which shall not be a date later than three years from the date of commencement of this Act.

(2) Notwithstanding anything contained in sub-section (1). for the purpose of giving effect to the provisions of the provisos to the said sub-section, the State Government may, by notification, make such provisions as appears to it to be necessary or expedient—

(a) for making omissions from, additions to and adaptations and modifications of the rules, notifications and orders issued under the repealed enactments :

(b) for specifying the authority, officer or person who shall be competent to exercise such functions exercisable under any of the repealed enactments or any rules, notifications, or orders issued thereunder as may be mentioned in the said notification.

155. *Power to State Government to transfer assets, etc., in cases of market committees constituted for excluded areas under repealed Acts.*—Where before the commencement of this Act, any area comprised in any market area was excluded from such market area under any enactment repealed by section 154 and the area so excluded was declared as a separate market area under the said enactment and a separate market committee was constituted therefor, and both the market committees continue to function immediately after such commencement and the assets, rights and liabilities of the separate market committee are not yet determined either by agreement between the market committees or otherwise, then the State Government may, by notification, after consulting the market committees concerned provide for the transfer of the assets, rights and liabilities of the market committee in relation to the area so excluded (including the rights under any contract made by it) to the separate market committees on such terms and conditions as may be specified in such notification.

156. *Amendment of Mysore Act 66 of 1958.*—In Schedule II to the Mysore Court Fees and Suits Valuation Act, 1958, the following amendments shall be, and shall be deemed to have been, made with effect from the 1st October 1964, namely:—

(a) in clause (ii) of Article 3, after the words “Mysore Revenue Appellate Tribunal”, the words “or the Co-operative Appellate Tribunal”, shall be inserted.

(b) in clause (j) of Article 10 after the words “Mysore Revenue Appellate Tribunal”, the words “or the Co-operative Appellate Tribunal” shall be inserted.

157. *Amendment of Mysore Act 11 of 1959.*—In section 2B of the Mysore Co-operative Societies Act, 1959—

(1) in sub-section (1), after the words “by or under this Act”, the words “or under any other law for the time being in force” shall be added;

(2) In sub-section (4), after the word "thereunder", the words "and in respect of proceedings under any other law, consistent with such law," shall be inserted;

(3) In sub-section (6) after the words "an appeal lies to it", the words "under this Act or any other law for the time being in force" shall be inserted;

(4) in sub-section (7), after the words and figures "under section 105" the words "of this Act or under any other law" shall be inserted.

By Order and in the name of the Governor of Mysore,

R. SANJEEVALU,
*Secretary to Government,
 Law Department.*